

AAACP

ALL ACP

AGRICULTURAL
COMMODITIES
PROGRAMME



Synthesis Report On Cotton-Related Activities

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LIST OF ABBREVIATIONS

AAACP	All ACP Agricultural Commodities Programme
AC	Agricultural commodities
A.C.A	African Cotton Association
ACP	Africa Caribbean Pacific
ACTIF	African Cotton & Textile Industries Federation
AF	Action Framework
AFD	Agence Française de Développement
AProCA	African Cotton Producer's Association
BCI	Better Cotton Initiative
CA	Central Africa
CAADP	Comprehensive Africa Agriculture Development Programme
CABI	Centre for Agricultural Bioscience International
CAZ	Cotton Association of Zambia
CBP	Common Buying Point
CDA	Cotton Development Authority / Kenya
CDE	Centre for the Development of Enterprise
CEMAC	Central African Economic and Monetary Community
CERFITECH	Centre de Recherche et de Formation pour l'industrie Textile
CFC	Common Fund for Commodities
CIF	Cost, Insurance, Freight
CIRAD	Centre de coopération internationale en recherche agronomique pour le développement
CSITC	Commercial Standardization of Instrument Testing of Cotton
CMDT	Compagnie Malienne pour le Développement du Textile
CmiA	Cotton made in Africa
CODA	Cotton Development Authority (Kenya)
COMESA	Common Market for Eastern and Southern Africa
COS-coton	Steering Committee of the European Union – Africa Partnership on cotton
CU	Coordination Unit of the AAACP Programme
DUE	Délégation de l'Union Européenne
EC	European Commission
ECCAS	Economic Community of Central African States
ECOWAS	Economic Community of West African States
EDF	European Development Fund
ESA	Eastern and Southern Africa
EU	European Union
FAO	Food and Agriculture Organisation
FCI	Farm Concern International
FFS	Farmer's Field Schools

FOB	Free On Board
GAP	Good Agricultural Practices
GM	Genetically modified
IAM	Instituto do Algodao de Moçambique
ICAC	International Cotton Advisory Committee
ICM	Integrated Crop Management
IFDC	International Centre for Soil Fertility and Agriculture Development
IO	International Organisation
IP	Implementation Plan
IPPM	Integrated Production and Pest Management
ITC	International Trade Centre
LDC	Least Advanced Countries
OPICT	Organisation Professionnelle des Industriels du Coton et du Textile
PAFICOT	Project supporting the cotton sector in the four countries participating in the sector initiative for cotton (BAD/UEMOA)
PO(A)	Professional Organisation (Agricultural)
PTD	Participatory Technological Development
RCFP	Regional Cotton Focal Point
REC	Regional Economic Community
SADC	Southern African Development Community
STR	Secrétariat Technique Restreint du Comité de Suivi de l'Agenda Coton-Textile
TBS	Tanzania Bureau of Standards
TFP	Technical and Financial Partners
UNCTAD	United Nations Conference on Trade and Development
WA	West Africa
WAEMU/UEMOA	West African Economic and Monetary Union /Union Economique et Monétaire Ouest Africaine
WB-ARMT	World Bank – Agricultural Risk Management Team
WB-SDN	World Bank - Sustainable Development Network
WCA	Western and Central Africa
WTO	World Trade Organization

BACKGROUND AND PROGRAMME OBJECTIVES, APPROACH & METHODOLOGY

In 2004, at a time when agricultural commodities (AC) prices were declining and volatile, the European Union (EU) expressed its political will to support AC in two Communications:

- The COM (2004) 89: Agricultural Commodity Chains, Dependence and Poverty - A proposal for an EU Action Plan.
- The COM (2004) 87: Proposal for an EU-Africa partnership in support of cotton sector development.

The first Communication deals with AC in general and led to the creation of the All ACP Agricultural Commodities Programme (AAACP)¹, with a budget of €45 million. One-third of the total, i.e. €15 million, was specifically allocated to support the African cotton sector. This cotton component of the Programme is therefore directly linked to the cotton Partnership. Started in September 2007, financing of the field activities of the All ACP Programme is scheduled to end in December 2011.

The second Communication resulted in the European Union-Africa Partnership on cotton which was signed at the Paris forum in July 2004. The Partnership includes an Action Framework² with a trade section and a development section. To direct and coordinate the monitoring of the implementation of the Action Framework, a Partnership Steering and Monitoring Committee, COS-coton, was set up in September 2004. We should note that the cotton component of the All ACP Programme also includes a specific budget for the operation of COS-coton.

This report is not an evaluation of the cotton component of the All ACP Programme for which a number of support actions are still underway. Rather, it proposes to summarise the key results and initial impacts of each of these supports covering countries and regions in West Africa (WA), Central Africa (CA) and Eastern and Southern Africa (ESA).

It then reviews the lessons learned from the support provided. Finally, in its conclusion, the report attempts to make some key observations and suggest potential areas for support which it would be relevant to finance following the completion of the Programme.

The report is based for the most part on synthesis reports drafted by each of the five international organisations responsible for implementing the cotton activity: CFC, FAO, ITC, UNCTAD and World Bank (ARMT and SDN divisions).

¹ For ease of reading, the AAACP is called the "Programme" or the "All ACP Programme" in this text.

² Initially called the Action Plan, it was revised in February 2010 to become the Partnership Action Framework. This change highlights the fact that the Partnership and its operational arm, COS-coton, aim to provide a framework for the support development activities for the sector, avoiding the ambiguity that might confuse it with a financing instrument or an implementation agency.

I. PROGRAMME OBJECTIVES

The programme's global objective is to fight against poverty in ACP countries, by:

- Improving and stabilising the income of producers and other players in the agricultural commodities sectors of these countries.
- Increasing the countries' and producers' ability to withstand volatile agricultural commodities prices.

Concretely, the following are the Programme's four results, which are expected to benefit the agricultural stakeholders:

- a) The stakeholders of AC sectors in ACP countries/regions are able to develop, adapt and implement sustainable strategies.
- b) Strategic priorities are implemented efficiently and access to markets, to production factors and to support services, as well as their use, are improved.
- c) Market risk management tools are developed and their use increased.
- d) The experience, complementarities and synergies of Programme partners are used efficiently and to the benefit of the stakeholders.

To ensure these results are reached, the Programme expects that at the end of the four-year period (2007-2011):

- Stakeholders of beneficiary countries will be more productive and competitive.
- They will be better organised and structured, and will work within a stronger institutional framework.
- Vertical integration will be strengthened, in particular between producers and processors/exporters.
- Stakeholders will be equipped to explore new market opportunities, and position themselves on new markets.
- Diversified operations can be considered and implemented.
- The use of risk management tools based on the markets is increased.
- Implementation agencies coordinate their interventions to increase their coherence and impact, and capitalise on the synergies and added value resulting from joint and/or complementary interventions.

II. PROGRAMME APPROACH AND METHODOLOGY

The Programme's interventions on the cotton component are based on participatory development of cotton regional strategies by regional integration organisations such as UEMOA, ECCAS and COMESA. The participatory approach is reflected in the involvement and effective collaboration of major public and private cotton stakeholders at every stage of strategy development. Thus, based on an in-depth diagnosis of the sector, the Programme approach consisted in supporting regional integration organisations to define cotton regional strategies and having them approved, then translating these strategies into concrete activities contained in implementation plans accepted by all involved.

To do this, the Programme uses the expertise and experience of the Programme's five partner International Organisations (IO).

The table below sums up the positioning of IOs' expertise according to the major results to be reached by the Programme. It is important to note that being a leader IO does not mean implementing alone the interventions for results. Indeed, the skills and complementarities between the IOs must also be used to create certain synergies necessary for conducting the activities.

Results to be achieved	Lead IO
R1: Strategy development	ITC
R2: Improved access/use of markets, production factors and services	FAO ITC, CFC, WB - SDN
R3: Improved development/access to market tools to reduce the vulnerability of producer income	WB – ARMT; UNCTAD
R4: Promoting complementarities and synergies in the interventions of implementation agencies	

A small number of cotton activities (Quick Start activities) were started in 2007. In 2008, after three participatory Programme launch workshops had been held (Dakar/Senegal for WA, Douala/Cameroun for CA and Dar es Salam/Tanzania for ESA), the other cotton activities approved by the Programme Steering Committee of which the President of COS-coton is a member began in two successive phases. Most of the phase 1 activities have been completed, though certain activities are still underway (especially phase 2 activities) in November 2011.

III. METHODOLOGY USED BY THE REPORT

The cotton component of the All ACP Programme is also part of the support under the EU-Africa Partnership on cotton. This is why, initially, these supports are listed according to the strategic axes of the Partnership Action Framework, while establishing their links with the cotton regional strategies.

Next, to facilitate analysis, cotton supports are grouped with respect to the expected results of the AAACP, aggregating those of the same type and those from successive phases (start-up phase, phases I and II).

Using the same classification, the main lessons learned for each of the interventions are listed, also taking into account aspects related to the sustainability of the results..

The classification adopted is given below.

1. Strengthening stakeholders' abilities to develop, adapt and implement efficient and sustainable strategies and action plans (R1/AAACP)

- Devising cotton regional strategies [ITC]
- Regional Cotton Focal Points [ITC]
- Comparative study of cotton sector reforms in sub-Saharan Africa (WB-SDN). This study, part of focus 2 ("improving the institutional environment" of the Action Framework), is covered in R1 of the Programme because of the strategic lessons it has provided.
- WB-SDN support in strengthening the capacities of the cotton sector in Ghana.

2. Strengthening capacities for the access/use of markets, production inputs and support services (R2/AAACP)

- Related supports: Strengthening the commercial capacities of national and regional associations; improving value chain and market transparency; facilitating South-South cooperation [ITC].
- The quality approach: Preventing cotton contamination [CFC/WB-SDN/ITC]; commercial standardisation of instrument testing of cotton [CFC].
- Sustainable Improvement of production and efficiency of the cotton value chains: good agricultural practices (GAP), and integrated production & pest management (IPPM); review of seed systems; inclusive business models; market linkages between organic cotton and the fashion industry [FAO]; integrating the supply chain [CFC].

3. Stakeholders are trained and able to use market-based risk management tools (R3/AAACP)

- Risk management [WB-ARMT]: price risk and weather index insurance.
- Development of training courses for price risk management.
- Cotton supply chain risk assessment – Mozambique.
- Feasibility study on the creation of a guarantee fund for the cotton sector in Côte d'Ivoire.

IV. LINKS BETWEEN THE COTTON COMPONENT OF THE ALL ACP PROGRAMME AND THE PARTNERSHIP ACTION FRAMEWORK

In the following table, cotton-related interventions have been arranged according to the strategic focuses of the Action Framework (AF) and in connection with cotton regional strategies.

Note that we have positioned a given intervention under a specific AF focus on the assumption that the intervention relates primarily to that specific focus; indeed, a given intention can relate to more than one of the strategic thrusts of the AF. Furthermore, focus V of the AF (increasing added value), primarily concerns added value in the local processing of cotton (textile, seed processing).

Appendix 1 contains a similar ranking, but with all the interventions as adopted at Programme start-up and the two phases with their budget and their operational status. It is important to note that the budgets in the table give only the direct costs of the interventions.

Furthermore, an overview of the strategic (SO) and operational objectives (OP) of the cotton regional strategies is given in Appendix 2 for UEMOA, ECCAS and COMESA.

**Interventions under the cotton component ranked according to the Strategic Focuses of the Action Framework,
in relation with cotton regional strategies**

AAACP INTERVENTIONS RANKED ACCORDING TO THE STRATEGIC FOCUSES OF THE ACTION FRAMEWORK	IO	REGION/ COUNTRIES	LINKS WITH THE COTTON REGIONAL STRATEGIES (RS)
I. Improving the capacity to devise, implement, follow and update national and cotton regional strategies			
-“Value chain” diagnostic, elaboration of regional strategies, planning	ITC	UEMOA, ECCAS, COMESA	Strategy approval: UEMOA: 11/2010, ECCAS: 06/2011, COMESA: 06/2009
II. Improving the institutional environment of cotton value chains, their internal organisation and their efficiency			
<ul style="list-style-type: none"> -Comparative study of cotton sector reforms in Sub-Saharan Africa - Strengthening the capacities of the cotton sector in Ghana -Strengthening National & Regional Associations - Strengthening the value chain linkages between producers and ginners through the use of inclusive business models 	<ul style="list-style-type: none"> WB-SDN WB-SDN ITC FAO 	<ul style="list-style-type: none"> ACP Ghana WA, CA,ESA Kenya, Zamb, Uganda 	<ul style="list-style-type: none"> -Transversal link -Indirect link³ -Transversal link -Transversal/cotton of RS/COMESA
III. Improving the competitiveness of African cotton value chains			
III. A Improving external factors of cotton value chains competitiveness (reducing cotton supports, market access rules, etc.)			
III. B Improving internal factors of cotton value chains competitiveness (access to trade, innovation, productivity, quality)			
- Implementing targeted strategy elements:		ITC	WA, CA, ESA

³ Ghana is not a member of UEMOA but belongs to ECOWAS

All ACP Agricultural Commodities Programme.

<ul style="list-style-type: none"> • Improving market transparency and the value chain: links with cotton importing countries and promoting cotton • Facilitating South-South cooperation • Putting spinners in contact with 'clean' cotton suppliers (in relation with the prevention of cotton contamination, CFC/WB) 			<ul style="list-style-type: none"> -SO III of RS/UEMOA, SO IV of RS/ECCAS; R7/ cotton of RS/COMESA -Transversal link with the RS -OP1 in SO I of RS/ UEMOA; R1/cotton of RS/COMESA -R5/cotton of COMESA
- Regional workshop to review the capacities for implementing good agricultural practices (GAP)	FAO	ESA	
- Strengthening the capacities and support for IPPM and integration in the value chain for cotton producers in West Africa	FAO	Benin, Burkina, Mali, Senegal	-OP1 to 5 in SO I of RS/UEMOA
- Review of seed systems for cotton-cassava production systems	FAO	ESA	-R5/cotton of RS/COMESA
- Improving the efficiency of cotton production through better vertical integration of the VC	CFC	Ken, Moz	-R5/cotton of RS/ COMESA
- Commercial standardisation of instrument testing of cotton	CFC	Mali, Tanz, Regional	-OP2 in SO II of RS/UEMOA; OP3 and 4 in SO II of RS/ECCAS; R6/ cotton of RS/COMESA
- Preventing the contamination of seed cotton in West Africa	CFC/ WB-SDN + ITC support	Burkina, Mali, Côte d'Ivoire	-OP1 in SO II of RS/UEMOA; OP1 and 2 in SO II of RS/ECCAS; R1/ cotton of RS/COMESA

IV. Reducing the vulnerability of cotton value chains				
<ul style="list-style-type: none">- Weather index insurance for the cotton VC- Evaluating the risks of the cotton supply chain- Devising a cotton price risk management training course- Regional price risk management course in West Africa- Regional price risk management course in ESA- Feasibility study of the creation of a guarantee fund for the cotton industry in Côte d'Ivoire	WB-ARMT WB-ARMT WB-ARMT WB-ARMT WB-ARMT UNCTAD	Burkina Faso Mozambique ACP WA and CA ESA Côte d'Ivoire	-OP4 in SO I of RS/ UEMOA; OP1 in SO I of RS/ECCAS; R4/cotton of RS/COMESA	
V. Increasing added value generated by cotton industries				
<ul style="list-style-type: none">- Market linkages between organic cotton producers and the fashion industry	FAO	Tanz, Ken, Uganda		-R2/textile and R1/clothing of RS/COMESA
VI. Strengthening, efficiency and effectiveness of coordination at international, regional and national levels				
<ul style="list-style-type: none">- Support for the regional cotton focal point/ECCAS for CA- Support for the regional cotton focal point/COMESA- Support the regional cotton point /UEMOA	ITC ITC ITC	CA ESA WA		-In connection with the RS coordination committees and COS- coton

V. RESULTS AND INITIAL IMPACTS OF COTTON-RELATED INTERVENTIONS

The results and initial impacts of cotton related interventions under the All ACP Programme are discussed according to their ranking with respect to the expected results of the Programme, as proposed in Section III. They are summarised below, in boxes.

1. Strengthening the capacities of stakeholders to develop, adapt and implement efficient and sustainable strategies and action plans (R1/AAACP)

1.1 Cotton regional strategies [ITC]

The objective of this support was to develop cotton regional strategies for cotton-to-clothing in an inclusive and interactive way in order to arrive at a finalised and adopted strategic document reflecting the vision shared by all stakeholders.

Main results and impacts:

- Indeed, the stakeholders and the national and regional authorities have endorsed these strategies at formulation and validation technical workshops. This is an almost unprecedented display of alignment and unity; as shown by the fact that these have been or are in the process to be adopted either at heads of state summits or ministerial conferences. The strategies embody the consultations, deliberations, proposals and conclusions of the key private and public stakeholders in the cotton-to-clothing industry. The preliminary studies on cotton/textiles conducted under the leadership of the different Regional Economic Communities (RECs) with their national, regional and international partners have also been included. The implementation plans of the strategies contemplate the revival of activities in every segment of the value chain, with a particular focus on the agricultural production, processing and promotion of cotton in Africa.
- Three cotton regional strategies were developed in this “market driven value chain” approach. As the new President of UEMOA Commission took up its duties at the beginning of 2012, a draft decision has been prepared to be submitted for adoption at the next Ministerial Conference. ECCAS’ strategy adoption was at the Agenda of the Head of state summit in January 2012 and will be jointly adopted by ECCAS and CEMAC at the next ministerial conference scheduled to take place April 2012. The following table shows the titles of the three strategies with their validation date. To display the official strategy documents, click on the links in the “consulted documents” part of the report.

Economic Space	Title	Validation
UEMOA	Revised strategy for the implementation of the agenda for the competitiveness of the UEMOA cotton-textile value chain	November 2010
ECCAS	Development strategy for the cotton-textile-garment making value chain in Central Africa	June 2011
COMESA	Regional strategy for cotton-to-clothing value chain	June 2009

- Each strategy includes an implementation plan with specific objectives and operational objectives⁴ and a priority action plan for 24-36 months. A coordination and monitoring committee for each strategy, composed of representatives of the public and private sectors is already in place (UEMOA , COMESA-ACTIF). While the committee for the ECCAS strategy was assigned terms of reference (missions, attributions, organisation and approved coordination/monitoring tools), it could not be put in place. The ministerial conference (comprising all the Ministers of agriculture and finance of the sub region) was postponed twice in the last six months. Thus, the implementation of the ECCAS Committee remains an important activity to be carried out , while the support from the All ACP Programme came to an end.
- In July 2011, COMESA's "cotton-to-clothing" strategy was reviewed, organised jointly by COMESA and ACTIF. The stakeholders of the cotton-clothing chain and the TFP attended the review, which updated the strategy document, reported on monitoring of activities already conducted and established a draft priority action plan which still needs to be finalised.
- Concerning the revised strategy of UEMOA's cotton-textile Agenda, we should also point out that the two regional banks (BCEAO and BOAD) have officially committed to supporting its implementation. The same is true for the CDE, which will be providing technical and financial support to re-launch (UEMOA⁵, Organisation Professionnelle des Industries Cotonnières et Textiles (OPICT). OPICT could be eligible for additional CDE and BCEAO financing.
- In terms of impact, we note that the development of market-oriented cotton regional strategies helped to get key public and private stakeholders working together (including producer representatives) around a shared vision and strategic objectives, which will guarantee their ownership and improve their capacities. For UEMOA, the strategy allowed a review of the 2003 cotton-textile Agenda, learning from its poor application and adapting it to changes in the context and challenges. For ECCAS, the next joint ECCAS/CEMAC adoption should strengthen the regional consensus and facilitate an efficient allocation of resources to priority actions.

1.2 Regional Cotton Focal Points [ITC]

The establishment of Regional Cotton Focal Points (RCFP) for each of the three regional organisations (UEMOA, ECCAS and COMESA) was guided by a need to: (i) provide a strategic focus on the policies, strategies and action plans at the regional level, guaranteeing that cotton interventions in the All ACP Programme are consistent with national and regional strategies/policies; (2) raise awareness with cotton players in their region concerning cotton supports and strengthen the institutions involved and the beneficiaries; (3) strengthen the exchange of information and contribute to the dissemination of the results of the cotton component.

The establishment of these RCFP should also help the COS-coton decentralisation process which was decided following the mid-term evaluation of the EU-Africa Partnership on cotton.

⁴ The COMESA strategy is a bit different from the two regional strategies. The COMESA strategy is composed of three areas: the first concerns the cotton subsector (seed cotton), the two others, the textile and clothing sectors respectively. For these areas, results to be attained (equivalent of operational objectives) are defined, each of which includes activities to be performed.

⁵ The coordinating committee met on September 2011 to (1) agree on the priority actions plan to guarantee the priorities given to the sector, the integration of resources and efficiency in the implementation, (2) to implement practices that strengthen their accountability and their contribution to strategy implementation and (3) to find resource partners and synergies with other agencies to accelerate development. In December 2011 a meeting was held on the establishment of the Task Force (Commission UEMOA, BCEAO and BOAD) recommended by the committee meeting of September. This working group was tasked to define the modalities of implementation of a financial impulse for cotton regional strategy. To that end, the estimated budget is estimated to be 730 200 000 CFA FRANCS (1 113 800 €) for the year 2012.

- The RCFP have been put in place and are operational at COMESA (since June 2010) and UEMOA (March 2010). For ECCAS, the RCFP was put in place in May 2011.
- COMESA's RCFP contributed to the organisation of the regional strategy review (July 2011).
- Since August 2011, UEMOA's RCFP has been publishing a monthly newsletter⁶.
- Financing of the operation of PFRC/COMESA was provided through an ITC-COMESA memorandum of understanding which was signed in June 2010. For UEMOA and ECCAS PFRC, various misunderstandings and delays in proceedings did not formalize a similar MOU. However, the operation of these two PFRC could still be financed by AAACP funds through a "Twinning arrangement" in a "matching fund" managed by ITC
- At the end of the All ACP Programme on 31 December 2011, based on the results and relevance of the ongoing activities to consolidate the "Secrétariat Technique du Comité de Suivi de l'Agenda coton-textile - UEMOA", ITC decided to cover, from its own funds and for a period of five months, the fees of the RCFP coordinator and communication consultant. This was done to ensure there would be no disruptions of the ongoing activities of the UEMOA RCFP between the end of the AAACP programme and the start of the contributions from the UEMOA and the 10th EDF cotton programme.
- Also note that, since the 1 January 2012, PFRC/ECCAS is no longer funded and is inoperative while PFRC/COMESA activities continue to be financed by AAACP funds in the first half of 2012.

1.3 Comparative study of cotton sector reforms in sub-Saharan Africa and support for strengthening the capacities of the cotton sector in Ghana [WM-SDN]

The goal of the comparative study on the cotton sector reforms in Africa was to learn from the reforms to these sectors for both the WCA and ESA regions. The study included a document review phase and on-site visits in nine countries (Burkina Faso, Benin, Cameroun, Côte d'Ivoire, Mali, Mozambique, Tanzania, Zambia, and Zimbabwe). The study's empirical approach was based on a typology of cotton sectors, establishing links between the different types identified and observed key performance indicators.

- The study is available on line on the World Bank website, in French: http://issuu.com/world.bank.publications/docs/organisation_et_performance_du_coton, and in English: <http://www.infodev.org/in/Publication.973.html>
- The main study includes country reports for each of the nine countries concerned. Furthermore, additional thematic studies were conducted on: (i) the quality and marketing of cotton fibre in Africa (2008, in English and French); economic principles of the roller ginning technique and its implications for African cotton sectors (2009, in English and French).

⁶ Numbers available at <http://www.coton-acp.org/en/news/infocoton>

The reports of these studies are published on line on the World Bank's website: <http://www.worldbank.org/afr/wps/>

- In terms of impact, the study has been broadly distributed via various channels with debriefings in each of the nine countries, including with regional integration organisations (comparative study and country report); various international meetings and conferences (including presentation to COS-coton, ICAC, etc.), and scientific publications⁷. Discussions on the study results stimulated debate on current and future reform programmes. At the request of the countries covered by the study, a number of strategic support notes were prepared. This was the case for Benin and Zambia. At the request of a number of cotton stakeholders in Francophone countries, a second print of the French, edition was done early in 2012 and will be being shipped out to the various recipients in the first half of 2012.
- A series of additional areas of research were also identified, in particular an analysis of cotton farming systems⁸ and its implications for agricultural policies. Unfortunately, this study which was also supposed to cover several cotton zones of African countries could not be conducted.

Part of the budget set aside for the study was reallocated to support for strengthening the capacities of the cotton sector in Ghana, at the request of the Ghana government which began a cotton revival strategy for the 2011/12 campaign in its three main northern regions. The objective of the intervention is to support major reforms (institutional, pricing mechanism, setting up viable cotton growers' organisations) to permit sustained recovery of the cotton sub-sector in Ghana. In this framework, three studies have been delivered. They deal with (1) the development of a sector regulatory framework; (2) the design of a fair seed cotton pricing mechanism, and (3) the revamp of cotton farmers' associations to make them viable organisations that can move towards a union that would be integrated in an inter-profession.

The first two analytical pieces have given rise to a lively debate among cotton stakeholder and the Interim Cotton Secretariat (ICS) about devising the most suitable institutional arrangements for the sector to be revived on a competitive and sustainable basis. The ICS has convened for March 2012 a new workshop to hammer out a workable agreement between growers and cotton companies on a lasting seed cotton price mechanism. The WB-SDN appointed consultant will at the same time bring technical assistance to the ICS to help finalize a 'Ghana Cotton Policy' document for the Ministry of Food And Agriculture (MoFA). The 3rd study's recommendations have prompted MoFA to request AAACP support in financing a month-long farmer ToT on cotton best agricultural practices and quality issues. This training will involve 400 lead farmers in the three cotton zones, and will take place between February 20 and March the 16th, 2012.

⁷ "Méthode d'analyse des effets différentiels des réformes sur les filières cotonnières en Afrique". Cah Agric. Vol. 18, n°5, September-October 2009.

⁸ Taking into account the types of producers based on their access to production factors and the various strategies used at farm level.

2. Strengthening the capacities for the access/use of markets, production inputs and support services (R2/AAACP)

2.1 Related interventions: Strengthening the commercial capacities of national and regional associations; improving the value chain and market transparency; facilitating South-South cooperation [ITC]

It is important to note that these supports were provided in the three African economic regions in relation with cotton regional strategies. Furthermore, these supports are complementary and mutually reinforcing.

The objective of Strengthening national and regional associations was to increase their capacities in cotton sales, marketing and promotion.

- For A.C.A: support was provided to (i) elaborate its 2011-16 strategic plan which has been approved and is operational; (ii) establish its marketing commission whose members were also able to participate in a price risk management seminar (WB-ARMT), (iii) take into consideration the importance of the fight against contamination, which has become a priority for A.C.A; (iv) strengthen its position in Eastern and Southern Africa and relationships with ACTIF; (v) build a new website (www.africancotton.net), which A.C.A will enrich with technical content and regularly update.
- For A.C.A, AProCA, national producers' associations and inter-professions of main cotton-producing countries, improving knowledge of markets, buyers' needs, sector needs, cotton trade and marketing practices (visits to importing countries paired with training).
- ITC considers that the supports (facilitating information exchange on the costs of cotton transportation, training) contributed to the negotiation of substantial transportation cost savings by CMDT/Mali.
- In Eastern and Southern Africa, supports (information, training) also helped to strengthen national, regional (ACTIF) and sub-regional (MoZaZiMa) cotton (producers, ginners) associations and to improve cooperation.
- At the national level, we note, for example: (i) in Tanzania, the proposal of a new institutional framework currently in the approval process and the elaboration of a strategic cotton development plan; (ii) in Zambia, the results and impacts appear significant (major reinforcement of the "Cotton Association of Zambia (CAZ) which represents farmers' interests with respect to foreign ginners; improving contractual relations between producers and ginners; support for the creation of a ginning factory owned and managed by producers through CAZ; (iii) in Uganda, improvement of the operation of the "Cotton Ginners Exporters Association"; establishment, at the ginners' association level, of a cotton fund to finance various services (inputs, extension, etc.).
- At the regional level, the reinforcement of ACTIF contributed to it being recognised by COMESA and donors as a private sector reference organisation for cotton-textile-clothing. ACTIF has become an association able to develop its network of relations with Asian import markets.
- At the sub-regional level, support from the ITC significantly contributed to the creation and recognition of MoZaZiMa in 2011, a sub-regional cooperation composed of Mozambique, Zambia, Zimbabwe and Malawi.

Improving value chain and market transparency is sought through the development of links with cotton importing countries.

Results and impacts obtained, for major players (producers, ginners, public institutions), at the national and regional level (WA, CA and ESA) :

- The development of direct trade relations with operators (spinners, traders, etc.) from major cotton importing countries: visits organised to China, Bangladesh, Turkey, Indonesia, Thailand and Vietnam⁹. In developing a customer focus, these helped members better understand the specific needs of their clients and how they can address these, concrete implications of cotton contamination and the need to improve the traceability of exported bales of cotton.
- These exchanges helped to improve the image of African cotton and strengthen the negotiating power of African ginnerers. Several of them have reported increased sales and direct sales, sometimes in quantitative terms. Thus, CMDT/Mali, sold 10,000 tonnes of fibre to China at a significantly higher price than that which was offered by traditional traders. In ESA, direct sales, between 200 and 1,600 tonnes to various Asian spinners, were reported for Tanzania, Malawi and Zimbabwe.

Facilitating South-South cooperation, both internationally, and between African regions.

- At the international level, it concerned primarily China and Turkey for operators (producers, ginnerers) from Western and Central Africa, but also India for Eastern and Southern Africa. These countries also covered part of the cost of visits. In China and Turkey, training sessions were organised on the various links in the value chain, from the market to production.
- Following these exchanges, several African operators, notably from Benin, Burkina Faso, Malawi and Tanzania, expressed their desire to bring improvements to their sector (inputs, cultural practices, quality of seed cotton, harvest, ginning operations and transportation, etc.). In Eastern and Southern Africa, several examples have also been reported of strengthening of institutional collaboration (Ethiopia, Kenya, Tanzania, Zambia) and technology transfer in the area of varieties (Ethiopia, Zambia), ginning and/or spinning (Ethiopia, Kenya, Uganda, Tanzania, Zambia).
- At the African inter-regional level, an Eastern and Southern Africa delegation travelled to Senegal to draw lessons from the successes of SODEFITEX fights against contamination (link with § 2.2).



China, ITC 2011



Bengladesh, ITC 2011



Turkey, ITC 2011



Thailande, ITC 2011

⁹ See the minutes of the visits on the ITC website <http://www.intracen.org/cotton-guide/training-seminars/> along with their cotton exporter's guide: <http://www.intracen.org/cottonguide/>

2.2 Quality approach: Preventing cotton contamination, commercial standardisation of instrument testing of cotton

Preventing cotton contamination [CFC-ICAC/WB + ITC support]

The project for the prevention of seed cotton contamination in West Africa (CFC -ICAC) /WB helps producers and ginners fight against contamination of seed cotton in order to obtain better prices, both for seed cotton and for fibre, and to improve the reputation of cotton produced in the region. This is a pilot project involving three countries: Mali, Burkina Faso and Côte d'Ivoire implemented by IFDC. To EU financing of €2.5 million is added cofinancing of €2.5 million, bringing the total cost of the project to €5 million. The project is in its mid-term, and CFC continues its funding until its scheduled completion date of end March 2013.

After two seasons of production, interim results planned for late 2011 are as follows:

- Training in contamination prevention (total three countries) of 27,000 producers, 140 extension officers, 240 transporters and at least five ginneries.
- Production by local industries of harvest kits (harvesting bags, storage tarps and purchasing tarps) covering the needs of all 27,000 producers.
- 10,000 t of less contaminated cotton fibre produced and marketed for the 2010/11 campaign (45,000 t expected for 2011/12). Sample fibre analysis results for the 2010/11 season, conducted by CERFITEX/Mali, will soon be available.
- Support from the WB aims to increase the impact of the pilot project in the UEMOA region. It provides support for regional organisations (A.C.A, AProCA) in order to help better spread good quality protection practices and encourage changes to the regulatory framework to allow better prices for uncontaminated cotton.
- At this point, support has contributed to (i) an A.C.A/AProCA agreement on equally sharing the costs of harvest kits and sharing any premiums for uncontaminated cotton while remaining in the framework of mechanisms for setting prices in force in UEMOA countries; (ii) the drafting of a Quality Charter and a procedures manual for each step in the chain¹⁰. Both documents have been approved jointly by AProCA/A.C.A and officially validated at a joint A.C.A/AProCA workshop held in Ouagadougou on December 2011. These reference documents will be broadly distributed in the UEMOA. A Senegalese printing firm was then recruited to mass produce both documents, the Quality Charter (10,000 copies) and the procedures Manual (3,000 copies). Finally, a feasibility study on the regional production of cotton cloth materials for 'clean harvest kits' is being commissioned, and should be delivered by the end of March 2012.
- Also with support from the ITC, linked to its interventions mentioned in §2.2, the development of links was encouraged between African ginners and Asian spinners in order to better sell the uncontaminated cotton produced by the project. In this context, a visit of the project area in Burkina Faso and Mali in early 2011 by Vietnamese and Bangladeshi spinners, showed their interest in immediately paying a premium (negotiated at CFA 8.5/kg) for uncontaminated African cotton produced by the project. However, the transaction could not be completed, because of forward sales of cotton from the CMDT and SOFITEX that overestimated the overall crop size. This required the sale of the project's cotton as conventional cotton at the agreed-upon price, giving up the premium.
- Moreover, ITC conducted cotton contamination perception surveys among spinners in Bangladesh, Indonesia, Thailand and Vietnam. These helped ginners to understand the problem and the damage in terms of a negative image of African cotton among consumers.

¹⁰ See: <http://www.coton-acp.org/en/prevention-de-la-contamination-du-coton-graine-en-afrique-de-louest-prevention-seed-cotton-contaminat>

- In terms of tangible results based on preliminary assessments, the achievable premiums for “clean cotton” at global cotton markets may be estimated to be in the range of some US\$ 50 – 80/ton of export lint. Realization of this type of premiums is of course to a large extent dependent on the marketing policies and practices of the cotton/export companies in the countries concerned.

Furthermore, in Eastern and Southern Africa, the ITC supported ginneries wishing to reduce the contamination of cotton fibre while seeking ways to obtain the payment of premiums and working directly with several spinners. In particular, a Thai spinning factory strengthened the capacities of several countries (Malawi, Uganda, Tanzania, and Zambia) through training on reducing contamination. Intensified training for Tanzanian ginners and producers. They included 2 week training by spinning technicians in Tanzania and a 2 week training of ginning inspectors in the Thai spinning factories. Project partners in Tanzanian and Thailand covered the majority of the costs. Like other spinners (Bangladesh, Vietnam), the Thai spinning factory is prepared to pay premiums for uncontaminated cotton including direct purchases.



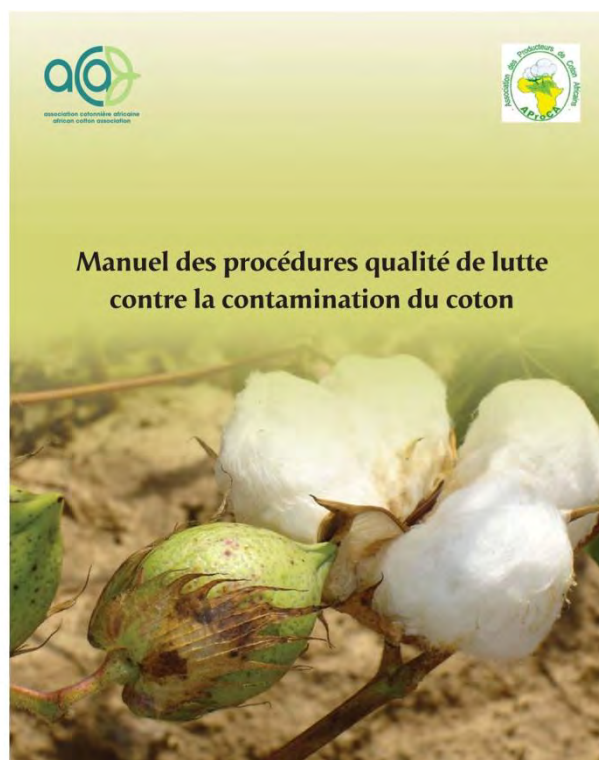
CFC/IFDC, 2011 :
harvesting bags and storage tarps



Purchasing tarps CFC/IFDC, 2011



ITC,2011 : Visit by Asian spinners to Burkina Faso and Mali



A.C.A - AProCA, 2012

Commercial standardisation of instrument testing of cotton [CFC-ICAC]

The commercial standardisation project of instrument testing of cotton¹¹ [CFC-ICAC] aims to contribute to the establishment of a global trade system for cotton, based on instrument testing (providing transparent and objective information on key parameters of cotton quality) and to ensure that African countries have direct access to the expertise they need to participate in this system.

The project aims to meet growing demand for instrumental testing from the industry using cotton fibre. Implemented by the Bremen Fibre Institute (Germany) in close collaboration with CIRAD, it directly concerns two countries (Mali, in collaboration with Burkina Faso, for West & Central Africa and Tanzania for Eastern and Southern Africa), but has a regional reach. It has received €2.6 million in EU funding, to which is added €3.9 million in cofinancing (CFC and others), for a total of €6.5 million. Note that certain activities will continue to be financed by the CFC after December, until late March 2012.

- Establishment of two regional technical centres (RTC): one in Mali (CERFITEX/Ségou) and one in Tanzania (TBS/Dar es Salam), each equipped with a cotton instrument testing laboratory.
- The RTCs, brought in line with international standards, joined a global certification network composed of reference laboratories¹².
- Teams were trained in the operation of RTCs.
- The establishment of "guidelines for the commercial standardisation of instrumental techniques for cotton quality tests". This document will be officially and internationally approved in March 2012.

¹¹ Also see information on CSITC website: www.csitc.org

¹² Entirely belonging to the global network "ICAC CSITC Round Trials" which completed its 19th series of tests. In 2011, this growing network is composed of 110 laboratories from around the world, including 14 African laboratories representing ten countries: Burkina Faso, Egypt, Mali, Senegal, South Africa, Uganda, Sudan, Tanzania, Zambia and Zimbabwe).

- Support to several national cotton classification laboratories to bring them in line with instrumental classification standards. Equipment support provided to eight laboratories.
- For the zones covered by each of the two RTCs, the results of a variability analysis on 9,000 fibre samples from different countries/ginneries will be presented in the first half of 2012. They will help to direct the choice of the most appropriate analysis methods for African cotton.
- As a result of a workshop held in Mali (Bamako, 17-18 February 2012) a draft memorandum of understanding was drawn up between A.C.A and CERFITEX. The main commitments relate to: as regard CERFITEX, (i) ensure the sustainability of project results; (ii) promote the RTC-WCA for instrument testing and training; (iii) involve the functional commissions of A.C.A to implementation of RTC technical activities; as regard A.C.A, (i) promote instrumental testing of cotton; (ii) mobilise its member ginning companies to adhere to a cooperation agreement with CERFITEX; (iii) make the functional commissions of A.C.A available for the implementation of CERTIFEX/RTC technical activities. A model of cooperation agreement was adopted.
- Finalization of the institutional structures securing sustainable, continued operations of the RTC's, is to be concluded before end March 2012, under the ultimate leadership of the host institutions of the RTC's.
- Introduction and operationalization of annual work/activity programmes with income-providing service fees will start during 2012, based on "business case" models developed under the project.
- Efficient utilization of the developed institutional capacities and capabilities in the field of instrument testing and of the continued quality assurance mechanisms provided by the RTC's to their client countries may lead to an incremental export revenue in the range of at least US\$ 30 – 80/ton of cotton lint at international export markets.



CTR/CERFITEX-Mali, 2012 - Equipement HVI

2.3 Sustainable Improvement of the production and efficiency of the cotton value chains: GAP, IPPM; review of seed systems; inclusive business models; market linkages between organic cotton and the fashion industry [FAO]; integrating the supply chain [CFC]

The “Promoting good agricultural practices (GAP) / integrated production and pest management (IPPM) project” uses a well-known approach based on IPPM¹³ and a participatory training method: the Farmer’s Field School (FFS)¹⁴. It was conducted in three phases: a formulation phase in 2008; followed by two successive implementation phases to ultimately involve four countries: Benin, Burkina Faso, and Mali. The third phase also included Senegal.

- For the four countries, 423 facilitators¹⁵ and 21,372 producers were trained. The number of facilitators trained is greater than the 360 initially planned. Furthermore, following budget adjustments, the number of producers trained, initially planned for 26,000, had to be reduced. 58% of producers were trained in Mali¹⁶. This is explained by the fact that, at the beginning of the project, a large number of facilitators were available in Mali who had already been trained by the FAO/IPPM/Netherlands Programme for West Africa. On the other hand, 53% of facilitators¹⁷ were trained in Senegal, since this country had very limited IPPM/FFS capacities at the start.
- With complementary funds/partnerships such as the FAO/IPPM/Netherlands Programme: (€0.5 million) and additional public (PAFICOT, BCI) and private (e.g. CMDT/Mali, etc.) funding, the impact of the training was increased to reach an estimated total of 700 monitors and 39,000 producers trained. For the FAO, the level of co-financing obtained is unprecedented for its IPPM/FFS activities in West Africa.
- Field visits and Open Field Days for local farmers and other stakeholders enabled sensitization of an additional 10,000 people on IPPM and FFS in the field. Media coverage of activities was important in all countries (television, newspaper articles and rural radios programmes in local languages). National workshops have been organized regularly to review progress with national stakeholders. Training material was prepared and translated in several local languages.
- In each country, partnerships were developed with major cotton stakeholders (cotton companies, producers’ associations, ministries of agriculture, research institutes, other interventions, etc.). These partnerships allow increasing the Integration of IPPM in stakeholder strategies, policies and programmes.
- The project also made possible an evolution from “FAO-led” programmes towards “Stakeholders-led” programmes encouraging a substantial amount of capacity transfer on IPPM and FFS on three levels: individual, institutional and environmental. The institutional ownership of the IPPM/FFS was enhanced. Thus, in Burkina Faso, with the UNPCB, and in Mali, with the OHVN and the CMDT, letters of agreement were signed allowing these structures to fully manage the activities with support-advice from the FAO. Today, the IPPM/FFS is integrated in national extension programmes (e.g. Mali, Burkina Faso, and Benin).

¹³ The IPPM is guided by the principles of agro-ecology: promoting GAP, diversifying cropping systems, use of suitable varieties and organic amendments, alternative methods for chemical pesticides use (e.g. biological control, organic pesticides), etc.

¹⁴ Based on lessons learned through experience, the FFS is generally composed of a group of 20 to 25 producers who cooperate on a field composed of two types of plots: one control plot where conventional cultivation techniques are used, and one plot where the IPPM is applied, adapting it to the area’s agro-ecological environment. Each week, the producers make observations based on which they decide what needs to be done at each stage of production. A facilitator (instructor) assists the producers in their learning process.

¹⁵ Depending on the case and the country; the facilitators come from ginning companies, ministries of agriculture or producers’ associations

¹⁶ 27% in Burkina Faso, 8% in Senegal and 7% in Benin

¹⁷ 18% in Mali, 17% in Benin and 12% in Burkina Faso

- The results of surveys conducted in the project zones and comparing IPPM plots with conventional plots, show encouraging improvements, in particular :
 - In Mali, a 94% reduction in the use of chemical pesticides and a 400% increase in organic amendments (2007-8 survey on 65 villages).
 - Again in Mali, between 2007 and 2009, the results of a survey on 52 villages (27 IPPM, 25 non-IPPM) show that total average pesticide application costs on acreage regularly increased from CFA 361,000/village in 2007 to CFA 666,000/village in 2009 for non-IPPM producers compared with CFA 45,000/village in 2009 to CFA 69 700/village in 2008 for IPPM producers.
 - A comparative survey of three countries (Benin, Burkina Faso, Mali) on the 2010-11 campaign, reports average increased yields of 39% (Benin), 35% (Mali) and 55% (Burkina) with the use of IPPM.
 - In Mali (2010-11), survey results show an average increase in producers' gross margins of 90% (with production costs down 23% and protection costs down 70%).



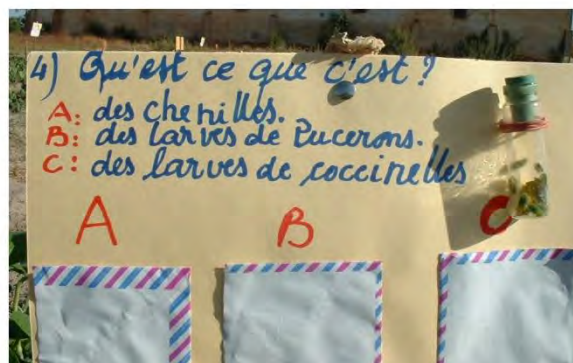
FAO, 2011: FFS



UC-AAACP, 2011: FFS in Mali



FAO, 2011



FAO, 2011

In Eastern and Southern Africa:

A review of seed systems for the production systems combining cotton and cassava (and other related crops) was conducted in Malawi, Mozambique and Zambia.

The study results¹⁸ were presented at a regional workshop (see below) which recommended that the study be extended to Zimbabwe, which was done. The review study on seed sector and planting materials was conducted to identify key constraints for access to quality seed by smallholder farmers for cotton and associated crops as well as cassava planting materials. . It also identifies the success factors characterising certain effective seed models in the region. The study results were used to develop action plans to improve seed systems and help develop a Seed Security Network in the SADC zone. A summary of the study results was also presented at the Harmonised Seed Security Project workshop (South Africa, May 2010). Note that the study concluded that the provision of quality plant materials (seeds, cuttings) constitutes the most common major constraint for cotton and cassava production.

A regional stakeholder workshop to review and assess capacities for implementing good agricultural practices (GAP) by smallholder farmers was organised (September 2009, Lusaka, Zambia). It brought together famers practising cotton-cassava systems in four countries: Mozambique, Malawi, Zambia and Zimbabwe.

The participants from each country developed action plans based on the needs identified for increased use of GAP in the cotton-cassava system. The workshop recommended a study visit in Zambia for representatives from Zimbabwe. The study visit was held (eight participants from Zimbabwe including producers and an officer from the Ministry of Agriculture) at a cotton research centre (Cotton Research Trust) where various GAP were presented. The delegation next visited a private establishment producing and marketing certified cassava cuttings.

The "Strengthening value chain linkages between producer groups and ginners using an inclusive business model approach" project concerns two ESA countries: Kenya and Zambia. Lessons from the WB comparative study on the cotton sector reforms were included, in particular the fact that the market structure has a major influence on the entire sector, in particular on producers' income. Thus, a competitive market like the one in Kenya generally pays producers higher farm-gate prices. This advantage is lost when the system does not allow the provision of input credits and extension, with a resulting decline in yields and quality. Furthermore, on a concentrated market like the one in Zambia, yields and quality are higher because of better input credit and extension conditions. Still, producers' low bargaining power prevents them from benefiting from them sufficiently.

On this basis, in Kenya (with 15 cooperatives in two provinces) and in Zambia (with three producers' associations representing 7,000 members), the FAO set up an inclusive business model approach adapted to the context in order to improve the competitiveness of the entire sector and increase cotton prices paid to producers. Similar to a value chain approach, the business model approach analyses and helps to understand where added value can be increased and how costs can be reduced and efficiency improved. It encourages players to trade on the basis of needs and clear and transparent market signals ensuring that added value is effectively passed down to the smallholder.

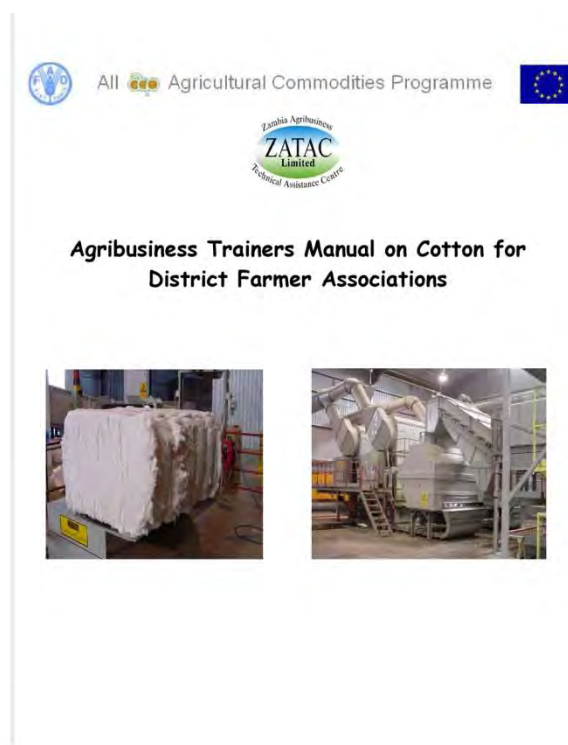
¹⁸ Cotton and cassava seed systems: Malawi, Mozambique and Zambia. Gwarazimba (FAO, 2009).
http://www.fao.org/fileadmin/templates/is/AAACP/estafrica/10_Gwarazimba2009_Cottoncassava_seed_systems_1_.pdf

- In both countries: Strengthening more profitable market-oriented producers' organisations with improved financial and commercial management systems. These results were obtained through training in agribusiness management adapted to cotton cooperatives on various subjects covering the value chain. A training module adapted to each country¹⁹ was developed and approved by competent cotton authorities that should use it on a larger scale. These training courses (40-50 participants/course) were well attended by stakeholders.
- In Kenya (15 cooperatives, 18,000 producers concerned).
 - The development of trade partnerships between cooperatives and ginning companies through the organisation of forums with players, discussions in focus groups and buyer-seller meetings. The response for the ginner-farmer business forums was way beyond expectations. They provided an opportunity for the two parties to air grievances and identify solutions to issues which have impeded business for many years.
 - Training courses on added value for ginners (improving quality, oil, cakes, etc.) focussing on diversification in businesses. They have resulted in the ginneries exploring funding opportunities with interested investors for enterprise diversification into oil seed and seed cake.
 - Agribusiness training was a direct response to the challenges that relate to the need for restructuring, retraining and re-tooling cooperative staff and management boards.
 - Training courses are underway with four ginning companies on (1) identification and management of risk in trade relations with producers; (2) support for contract formalisation; (3) better assuring a steady supply of seed cotton to reduce costs.
 - Several improvements can already be seen following the various supports mentioned. We note the involvement of women and young people, whereas the average age of producers, predominantly men, is high.
- In Zambia (three District Farmer Associations (DFA's) representing 7,000 members):
 - Design of a financing mechanism to improve access to input credits for producers. The risks associated with this mechanism led to:
 - The development of a strategic plan for the creation, in each of the three districts, of common Cotton Buying Points (CBP) in order to create economies of scale for producers and ginners, transportation savings and protection against parallel cotton sales. These common buying points will also provide a series of services: quality assurance, input collection and distribution, technical assistance, discussion areas for sector players.
 - Two CBP systems were proposed for pilot testing at a stakeholder round-table which brought together DFA's, ginneries, CAZ, the Cotton Board of Zambia, the Ministry of Trade and the Zambia National Farmers Union in September 2011. Initial pilot testing must take place during the remaining months of the project and will continue under initiatives by CAZ and the Cotton Board of Zambia.
 - A more constructive and transparent state of mind seems to be growing in producer-ginner relations.

¹⁹ Kenya -Cotton commercialisation and market development training modules. FAO. Farm Concern Intl.
<http://www.coton-acp.org/en/kenya-cotton-commercialization-and-market-development-training-modules-kenya-modules-de-formation-en>
Zambia – Agribusiness trainers manual on cotton for district farmer associations
<http://www.coton-acp.org/en/zambia-agribusiness-trainers-manual-cotton-district-farmer-associations-zambie-manuel-des-formateurs>



FAO, 2011 - Training Modules, Kenya



FAO, 2011 - Training manual, Zambia

- Facilitating market linkages between organic cotton producers and the fashion industry (Uganda, Tanzania, Kenya) (FAO, in collaboration with the UNCTAD). This support is based on a study and analysis on the development of organic cotton production in the Tanzania and Uganda.
- The study shows that soil fertility management is a major technical constraint to the development of organic cotton.
- Following the study, a contract was signed with the ICEA²⁰ to develop and adopt an experimental participatory learning methodology on soil fertility management through a network of demonstration/educational farms. The goal is to increase transfer capacities and encourage changes in farmers' practices. A pilot training module using this method has been prepared, along with the trainers' guide. It has been tested and lessons learned to increase its impact. The training module has been piloted in 16 villages with the establishment of a network of demonstration farms in rural villages. The material will be translated into local languages to assure future scaling-up in Tanzania.
- The formulation of a large project proposal to enhance organic cotton value chain and linkages between cotton production and fashion industry.

²⁰ Istituto per la Certificazione Etica e Ambientale

The “Improving Cotton Production Efficiency in Small-scale Farming through better vertical integration of the supply chain” pilot project (CFC/ICAC) is being implemented with cofinancing (€0.7 million in EU financing + €1.1 million, bringing the total cost of the project to €1.8 million). The project, run by **CABI**, concerns Kenya and Mozambique and will soon reach its mid-term, since the CFC plans to extend it until December 2013. Its goal is to increase the production efficiency of small cotton producers²¹. This project also aims to improve the cost effectiveness and competitiveness of the supply chain. Stakeholders are industry players related to production²². Activities include the formulation and dissemination of a suitable set of integrated production management (IPM) methods, the development of relations between stakeholders and the introduction of mechanisms to evaluate impacts. Lessons learned from the pilot project should help replicate it in other areas and countries to increase its impact

Main results, according to the project’s five components:

- I/ Formulation of better IPM practices: (I) a participatory analysis of the needs and constraints of producers and of commercialisation was done in Mozambique; (ii) In Kenya the most restrictive factor for cotton production is the low price of seed cotton, followed by pests/disease with a high cost of pesticides, insufficient capital and late payments; in Mozambique, key constraint like poor quality of seeds, insufficient knowledge of agricultural practices, insufficient access to inputs and irregular rains were noted; (iii) an IPM model was devised and is currently being validated; (iv) a training programme for FFS facilitators has been developed.
- II/ The adoption of IPM packages are promoted. (I) 100 IPM/FFS facilitators have been trained in Kenya and Mozambique. (ii) In Kenya, more than 70 FFS have been established, with a total of some 2000 producers of which approximately 45% are women and participatory technological development (PTD) trials have been held. In Mozambique, these numbers are in the range of 55 IPM/FFS with in total more than 1,000 participating farmers; (iii) prior to these trials, soil samples were analysed. The analyses revealed certain acidity problems and many cases of mineral deficiencies so that appropriate corrective measures could be recommended; (iv) the technologies evaluated on the PTD plots are given priority by producers (e.g. pest and weed management, seed quality, etc.) and each FFS has established its own programme for the cropping season to hold analysis sessions of the farming system on the PTD plots which are already well underway; (v) field days are organised regularly on the FFS and are attended by sector stakeholders.
- III/ Establishing links between stakeholders for sustainable IPM. Two stakeholder workshops have been held in Kenya; in Mozambique, two technical workshops on the evaluation of input supply systems and technical support system for producers.
- IV/ Evaluation of the impact of adopting IPM. (i) A reference survey was established in Kenya and in Mozambique in particular on socio-economic and practical aspects of production by participating producers. (ii) The results of these surveys were shared in the two countries with all stakeholders.
- V/ Project management and coordination. A start-up report was produced and an initial annual planning and review workshop organised. A project steering committee was set up in both countries.
- IPM monitoring-evaluation tools have been shared with the FFS. Posters and training manuals are also helpful in disseminating IPM outside the project zone. The project is still ongoing and it is therefore too early to make substantiated predictions about impact. Initial results require time to be thoroughly embedded in the farming practices of the beneficiary groups.

²¹ With their families, they represent a population estimated at 2.8 million people (Kenya + Mozambique).

²² Producers and their organisations, research agencies, ginners, extension services, input suppliers, regulation bodies, etc.

3. Trained stakeholders able to use market-based risk management tools (R3/AAACP)

3.1 Risk management: price risk and weather index insurance [WB-ARMT]

In the framework of the All ACP Programme, WB-ARMT supports consist for the most part in training, skills transfer, the evaluation of supply chain risks and technical advice in agricultural risk management in the public and private sectors, based on demand.

- A feasibility study has been underway in Burkina Faso since August 2009 on weather index insurance for the cotton supply chain and it has been completed in December 2011. Producers identified yield losses to have complex and varied causes: localized floods, non optimal rainfall distribution, losses in soil fertility and degradation, quality of seeds. Economic constraints affecting revenues cited by farmers included low seed cotton prices, increasing costs of inputs, and indebtedness. Regarding production risks, the study concluded that weather index-based insurance is not recommended given the difficulties of modeling losses at farmer level by using department level rainfall data, rendering a large basis risk. The report suggested that yield insurance might have some applicability in some departments, and the document lays out the technical information and step by step guidelines on how to develop an area yield product for cotton. However, the same document warns on the need to look at risk from a broader perspective and encourages stakeholders to consider addressing basic problems affecting the cotton industry before considering the role insurance will play in covering for the residual risks.
- In Burkina Faso, stakeholders largely agree that an integrated approach including several risk management components is most appropriate for the cotton industry. Pilot zones have been selected in order to arrive at a detailed understanding of risks at the local level. The study proposes various options to design and create an area yield insurance program for smallholders. However, before taking any decision, the Working Group (formed by key stakeholders) will need to finalize a parallel and complementary study on mutuals. If feasible, mutuals will address the inherent basis risks underlying the design of an insurance scheme that trigger payments based at an aggregate Department level data.

An evaluation of cotton supply chain risks in Mozambique was conducted.

The objective of this support is to identify, quantify and prioritise major risks faced by the cotton supply chain. A field mission has been conducted during which supply chain stakeholders were met. The final report was produced in February 2010.

- The report identifies major risks for agriculture ranked in terms of potential impact (intensity) and frequency. It proposes a framework for improving current risk management practices. The major risks identified deal with crop substitution (alternative crops), the volatility of cotton prices, credit defaults by producers, exchange rates and climatic risks. Based on the risk evaluation and the ability to manage it, the report identifies several vulnerability levels for the various groups of players present in the supply chain.
- Major shortcomings are identified: the large number of missing observations in meteorological data due to the large quantity of handwritten data that have not yet been digitised, and the lack of consideration of detailed risk mapping for the agriculture sector.
- In conjunction with the Ministry of Agriculture, the following stages were defined and created for: (i) risk management for cotton and weather index insurance; (ii) the digitisation of missing climatic data. Furthermore, the development of a climatic risks map for the agriculture sector is being finalised.

- The strong involvement of the Instituto do Algodao de Moçambique (IAM) on this issue allowed the establishment, for the medium and long term, of solid bases to assimilate and develop risk management measurements in the cotton industry and for the agriculture sector as a whole. The IAM contributed greatly to the creation of a complete database of historic climate data which is an indispensable step in the process.

Training courses in price risk management were developed and regional training sessions held working in partnership with A.C.A.

The separate trainings for East and for West African countries were directed at cotton traders and ginneries and aimed to provide them with insight into the risk of unmanaged price risk exposure, the means of monitoring such exposure, and the opportunities and techniques for mitigating such exposure through the use of physical contracts and financial instruments.

- The course was developed in a modular format, and adapted to the needs of traders, ginneries and cooperatives/producers' associations.
- It has also been transferred onto an on-line learning platform which should increase its potential impact. The web link to access this platform is www.agrisktraining.org. In addition to the cotton price risk management training, there is also less specific training for cotton but nonetheless of interest, such as " Market-based Commodity Price Risk Management", " Weather Risk Management for Agriculture", "Designing Index Based Weather Risk Management Programs". However, only the last training is translated in French, while the others being currently only in English.
- Regional training courses on price risk management were held in Eastern (Kenya, July 2011) and Western Africa (Burkina Faso, August 2011). The training organised in Kenya attracted 46 participants from 11 countries²³, primarily cotton traders and ginneries with representatives of associations and government agencies. In Burkina Faso, the course attracted 61 participants from nine countries²⁴. The ITC also facilitated the participation of business managers from various West African cotton companies. Overall, these courses appear to have been highly appreciated by the participants who evaluated them as being pertinent and useful.
- At this stage, it is difficult to appreciate the short-term impact of the skills transfer, but observations show a low average level of knowledge of cotton market dynamics and of the importance of risk management tools. Therefore, the long-term impact of this type of training course appears potentially great.

3.2 Feasibility study on the creation of a guarantee fund for the cotton value chain in Côte d'Ivoire [UNCTAD]

In recent years, banks have become increasingly reluctant to finance the cotton sector in Côte d'Ivoire (political and social situation, multiplication of cross-debt, etc.). Given the lack of trust within the cotton industry and the withdrawal of local banks, the feasibility of setting up an alternative financing structure was examined. This would be a guarantee fund that could share risks with financial institutions, improve access to credit for main operators and increase producers' income.

- The feasibility study on the creation of a guarantee fund for the cotton industry in Côte d'Ivoire was finalised in August 2009.
- The study restitution workshop was held in July 2010 in Abidjan, under the auspices of the Ministry of Agriculture of the Côte d'Ivoire government. Seventy-five participants participated in the workshop deliberations.

²³ Benin, Egypt, Kenya, Malawi, Mozambique, Senegal, Sudan, Tanzania, Uganda, Zambia, Zimbabwe

²⁴ Benin, Burkina Faso, Cameroun, Chad, Côte d'Ivoire, Mali, RCA, Senegal, Togo

- Upon completion of the workshop, an action plan was drafted for the implementation of a guarantee fund for the cotton industry in Côte d'Ivoire. A steering committee was set up, conducted jointly by the Ministry of Agriculture and the Permanent Mission of Côte d'Ivoire to the United Nations in Geneva and to the World Trade Organization.
- The activities under this project strengthened the capacities of cotton industry players and stakeholders in the development and operation of a guarantee fund.

VI. MAIN LESSONS LEARNED

Following the same organisation of interventions as used for results and initial impacts (section V), we list the main lessons learned for each of the supports below. They also include aspects related to the sustainability of results.

1. Strengthening the capacities of stakeholders to develop, adapt and implement efficient and sustainable strategies and action plans (R1/AAACP)

1.1 Cotton regional strategies

- One of the well-known pitfalls to be avoided is a lack of commitment on the part of key public ministries, which is reflected in poor support and/or delays in adopting strategies. The institutions concerned need to be at the heart of developing strategies (ownership) and therefore supporting their implementation.
- A strategy's efficiency is strengthened through a clear definition of the acquisition of resources and of the allocation mechanism to avoid wasting time and resources during the development phase. A lack of resources and capacities often constitutes a major constraint in LDCs. Therefore, we must always allocate resources in such a way as to maximise results obtainable for a given level of resources. This mechanism implies a clear and detailed working plan with an accountability matrix.
- It is necessary to establish a high-level strategy coordination and monitoring committee whose responsibilities are limited to certain clear roles (e.g. comparative analyses, performance appreciation, coordinating mid-term reviews, ensuring the convergence of policies, demonstrating and convincing others of effective implementation on the ground and obtaining impacts to justify additional financing). The coordination committee must be composed of members of the public and private sectors involved in the strategy process. It is essential to ensure that each member has the required skills and is fully committed to successfully implementing the strategy. It is very difficult to train or organise an effective group or entity. One component in strengthening capacities, with a specific budgetary allocation, should always be considered, at least during the elaboration phase. The members representing the public sector (state) must not only be of a high level, but also be from institutions responsible for supporting cotton and demonstrate an ability to resolve problems.
- The coordination and monitoring strategy committees²⁵ are constituted of public and private actors along the entire regional value chains that have a deep understanding of the subject as they work in the in area on a daily basis. Moreover, cooperation within the committees should improve relationships between operators (farmers, ginners, textile and clothing manufacturers)

²⁵ As regard COMESA, the responsibility for strategy implementation monitoring was given to the committee and the responsibility of coordinating the committee was given to ACTIF, as the private sector partner of COMESA for the cotton, textiles and clothing sector. The overall responsibility for the implementation, however, remains with COMESA. This has the advantage that coordination is done by a business-oriented organisation, whose membership is basically the private sector (even though it operates as a federation). The presence of the A.C.A and AProCA or the OPICT plays this role in the Committee of the UEMOA. The A.C.A and the AProCA should also be member of the ECCAS Committee.

and thus foster a closer value chain collaboration at regional level. As a result, the committees themselves contribute to regional collaboration along the value chains. Moreover, it is important that the quality of monitoring remains high. Amendments, if need be, could be then integrated easily. However, resource mobilization remains a key responsibility of the RECs alongside with policy advocacy. The aspects of policy advocacy that would need to be addressed come from the coordination and monitoring strategy committees but it is for the RECs to coordinate activities so that the strategy remain visible in the national and regional planning frameworks and receive adequate support.

- A very important key point is positioning the strategy in the economic and social development context and the regional and country development priorities. This enables the creation of a framework integrating the development efforts for all sector assistance and support agencies. Such an integration framework improves efficient implementation of the strategies and, naturally, influences the results of the process.
- Right from the start of the strategy elaboration process, it is important to involve donors, development partners and buyers, and ensure that the coordination committees have the lobbying capacities needed to mobilise resources, based on a mapping of possible supports/financing, for the implementation of strategies beyond a programme (e.g. AAACP) in order to improve long-term sustainability. This makes it possible to be more efficient during implementation.

1.2 Regional Cotton Focal Points [ITC]

- Only the ITC-COMESA MOU was signed, contrary to WAEMU and ECCAS, due to various misunderstandings and delays of procedures. Although this did not prevent the All ACP Programme to finance the activities of these two PFRC (twinning arrangement fund managed by ITC), their operation would likely have been better optimized if a memorandum of understanding could be signed as early as their installation.
- Moreover, the issue of future funding of PFRC which could have been asked earlier, before to be in place. Of course, the funding of activities of the PFRC COMESA and UEMOA (on own ITC funds) could be extended for a few months in 2012, but it is no longer provided from June-July 2012. In addition, PFRC/ECCAS is no longer funded and is inoperative from January 2012. The issue of funding the PFRC by the REC to which they relate is also under debate.
- It will be also important to carry out an in-depth reflection on the evolution of the PFRC in the light of the decentralization of COS-cotton which should be accomplished during the implementation of the next 10th EDF cotton programme.

1.3 Comparative study of cotton sector reforms in sub-Saharan Africa and support for strengthening the capacities of the cotton sector in Ghana [WB-SDN]

Comparative study of cotton sector reforms in sub-Saharan Africa

- The main conclusions of the comparative study highlight that increased competition does not necessarily improve the performance of the industries and that the role that public authorities need to play depends on the specific market structure and on the cotton sector regulatory framework.
- This work generated additional information that can help political decision makers and industry players to better foresee probable challenges and evaluate desirable responses based on the type of sector involved.
- The lessons learned from the typology of African cotton sector were also applied in supports for some cotton activities (e.g. development of inclusive business models in Kenya and Zambia).

Support for strengthening the capacities of the cotton sector in Ghana

This support has enabled the development of a programme for revitalizing the Ghanaian cotton sector. A search for financial partners is underway.

2. Strengthening capacities for the access/use of markets, factors of production and support services (R2/AAACP)

2.1 Related supports: Strengthening the commercial capacities of national and regional associations; Strengthening value chain and market transparency; Facilitating South-South cooperation [ITC]

- It is important to take a holistic approach with activities that mutually strengthen each other: strengthening capacities, South-South cooperation, understanding of the market and customers, fighting against cotton contamination have provided synergies that increased their impact.
- Competitiveness starts with the market. An understanding of the value chain as a whole, including direct customers (spinners, merchants) and distributors of textile products.
- For too long, African cotton companies, independent ginner and producers missed an opportunity to interact with the markets and spinners using feedback to improve the quality of their product. Consequently, they do not have a clear understanding of the entire value chain or of the markets where cotton is sold. Direct contacts have been rare and feedback on the quality of their cotton and the needs of buyers is infrequent, often filtered by intermediaries.
- Cotton promotion is but one aspect in a marketing strategy. One must understand the customer, meet demands all along the value chain and promote cotton to spinners. Regular feedback from spinning mills is very important to a sustainable improvement in African competitiveness.
- It is necessary to involve banks, which are the missing link with the market. With the traditional financing system, ginner often have to quickly sell the fibre ex-factory to be able to receive cash in order to buy more seed cotton. Banks such as in Tanzania can also contribute to ensure producers and ginner cooperate in a transparent manner. Many national and regional associations have no professional management or operational secretariat. This hinders the possibilities of developing longer-term partnerships with cotton or textiles and clothing associations of other countries and their ability to replicate, intensify and monitor activities, which can adversely impact on their sustainability.
- The results and impacts of interventions were less visible in WA and CA, compared with ESA because of quite concentrated market structures which, in many countries, are in fact still monopolies.
- Intra-African WCA-ESA and South-South cooperation must be encouraged and increased.

Strengthening national and regional associations

- The ITC approached AProCA several times to get the Cotton Business School (CBS-“Université du coton”) involved in training (cotton trade and marketing). However, these efforts have been unsuccessful. The training materials and presentations held in Asia are available for their use and dissemination.
- Institutional infrastructure is still weak in the cotton sector in Africa. While technical expertise exists in all cotton companies, it does not exist at the institutional level. Meetings organised by or together with regional organisations allow tapping existing technical expertise in all regions. However, the follow-up on any of the technical elaborations made during membership meetings is hampered by the fact that such expertise and entrepreneurship does not exist at the institutional level. As a result sustainable follow-up is often not happening. Further strengthening of associations is therefore paramount.

Strengthening value chain and market transparency:

- Since cotton companies in the CFA zone tend to be monopolistic (except for Côte d'Ivoire and, in to a certain extent, Burkina Faso and Benin), they appear to show greater rigidity to changing their commercial practices and in diversifying their long-established links with international traders. This context explains why there are fewer direct sales initiatives in WCA than in ESA where ginning companies are smaller, more flexible and entirely private. The development of links with cotton importers is even more difficult for WCA because cotton is exported there FOB and not CAF, which gives great importance/weight to just a few international traders.
- The sharing of experiences and commercial practices between the WCA and ESA zone should be promoted in future supports to improve and diversify commercial practices.
- Another obstacle to the development of direct trade relations in WCA is linked to the major role played by banks, since they pre-finance marketing campaigns on credit and, thus, keep the lint cotton as collateral. Such a system maintains traditional trade with international merchants known for a long time. In their financing decisions, many banks simply take the African context into consideration rather than trying to better understand the export market. Changes to commercial practices to include direct trade imply the need to show greater openness and entrepreneurial spirit on the part of banks. To achieve this, banks need to better understand their customers (cotton companies) and their customers' customers (spinners). Banks should, therefore, also be included in future capacity building and promotional activities, ideally on a self-financing basis.
- In this context, it is remarkable to observe the evolution of SODECOTON/Cameroon. For over 20 years, it had dealt with a European banking pool, whose credit conditions required it to deal with a short list of traders. In 2011, given more promising prospects and higher credit costs in Europe, SODECOTON signed a credit agreement with a Cameroonian banking pool, giving SODECOTON leeway to negotiate its export contracts.
- Initially, ITC supports did not include direct trade relations, but simply better understanding of the market, one's customer and one's customers' customers. That objective has been reached. Furthermore, links established with customers, and Asian ones in particular, have helped to promote African cotton which suffered from some negative perceptions.
- The very volatile cotton market in 2010-2011 was not conducive to strengthening established partnerships. Many market defaults were recorded, but none among programme stakeholders. A more favourable commercial environment would have been more conducive to developing more direct commercial partnerships.
- The development of partnerships with targeted buyers should be a major element in any future marketing-oriented activity.

2.2 Quality approach: Prevention of seed cotton contamination, Commercial standardisation of instrument testing of cotton

Prevention of seed cotton contamination [CFC-ICAC/WB + ITC supports]

Prevention of seed cotton contamination Project in West Africa (CFC -ICAC) /WB) and links with Asian spinners (ITC support).

- This project has attracted great interest from the players involved.
- It has already allowed the development of appropriate training tools.
- The technology harvest racks in the fields must be improved, since many constraints have been reported by producers and extension officers. Several alternatives to harvest racks in the fields have been identified.

- The experiments conducted by the project help to adapt the harvest kits and identify the most efficient ways to promote their distribution and use. This includes improving the harvest kits quality, especially the resistance of cotton harvest bags produced by manufacturers in the sub-region. Possibilities for the African textile industry to provide resistant harvest bags in sufficient quantity and at a competitive price.
- Less contaminated cotton does not automatically mean better prices. In addition to quality guarantees (certificates, etc.), farmers must also produce sufficient quantities to be able to negotiate prices.
- The average premium rate obtained with clean cotton during the 2011-12 campaign is estimated at 3 cents USD. However, the cost of quality (harvest kits and racks) is currently 5 cents USD per Kg fiber on average. Under these conditions, the premium cannot be valued for the benefit of producers²⁶.
- The efforts to produce less contaminated cotton help to improve the overall image of West African cotton, and therefore, overall to better prices.
- Institutional activities have indicated the way to improve the overall quality of African cotton. The A.C.A and AProCa established a quality charter. In Mali, a quality control chain is being set up, including at farm level, quality managers and cotton quality committees at cooperatives and ginneries.
- The materials and training methods developed and tested by the project are available for large-scale dissemination.
- In early 2011, the major obstacle preventing CMDT and SOFITEX from establishing direct sales with Asian spinners, receiving a premium for non-contaminated cotton (see § 2.2), was due to overoptimistic forward cotton sales by these two companies. To keep to their commitments, they were compelled to sell project cotton at prices agreed upon via traditional sales circuits, abandoning the direct transaction with the spinners. What is even more unfortunate is the fact that CMDT/SOFITEX representatives were to go to the spinners to see the result of their efforts. This event underlines the importance, for any project on fighting against contamination, of including a commercial process upstream of any intervention.

Commercial standardisation of instrumental testing of cotton [CFC-ICAC]

Project for the commercial standardisation of instrumental testing of cotton

- To guarantee the smooth implementation of the activities, frequent and very close contacts between the project executive agency and the project partners are essential.
- The technical viability of the RTC is already in itself an important challenge. Thus, lessons need to be drawn after a 3 months defect with the electronics of the cooling system observed with RTC Mali in 2011. Also due to the complexity of equipment, the two RTC need to maintain a high level of management and maintenance of their equipment. This is vital to maintain the reputation of the Centres, especially as regards the objective of receiving and retaining on the long term the international accreditation as "reference Centres".
- The institutional sustainability of RTC as bodies maintained by their beneficiaries has still not been accepted. First of all, the sustainability of RTCs depends on contributions from the host government organisation for an initial transition period. For long-term sustainability, the organisational structure must be completely set up. The Regional professional associations (A.C.A , AProCA, ACTIF), but also the RECs, should have to play a major role in fostering collaboration and coordination.

²⁶ According to a communication at 10th A.C.A annual congress, March 2012

- Measures have been taken by the project based on the recommendations of the mid-term evaluation. The most recent one deals with the meeting of stakeholders planned for West Africa and Eastern Africa in order to reach an agreement on a sustainable institutional structure.
- Awareness is an important aspect in increasing project impact: e.g., the participation of project partners in annual A.C.A days in 2011. On that occasion, the importance of the instrumental measurements for Africa was emphasised and the promising results of the CSITC laboratory evaluation of African laboratories were shown.
- It is also important that the medium- and long-term financial sustainability of the RTC be reached. In this framework, the project supports the establishment of realistic business plans for the RTC. A report was produced and shared by all stakeholders.
- Because of a difficult environment and delays in establishing the final organisational structure of the RTC, the project executive agency suggested a short, four-month project extension, with no budgetary implications. The goal of this extension is to give as much impact to the final workshop to be held in January 2012 and to promote the RTC's services. This will also allow the RTC to better position itself in the new institutional framework adopted by its beneficiaries.
- The draft memorandum of understanding drawn up between A.C.A and CERFITECH and the adopted model of cooperation agreement between CERFITECH and cotton companies, are supportive signals towards long-term sustainability and ownership of CERFITECH/RTC for WCA.
- It will be important to promote trading of African cotton based on the results of tests using instrumental measurements. To this end, monitoring support would be useful to expand the scope of the RTC's expertise and getting it better known in the region through training courses on cotton trade by external instructors with suitable tools which will be developed.

2.3 Sustainable improvement of the production and efficiency of the industries: GAP, IPPM; Review of seed systems; Inclusive business models; Market linkages between organic cotton and the fashion industry [FAO]; Integrating the supply chain [CFC]

"Promoting good agricultural practices (GAP) / integrated production and pest management (IPPM)" project in West Africa (Benin, Burkina Faso, Mali, Senegal).

- The IPPM/FFS have shown themselves to be a useful and functional tool for improving production, income and ownership by producers in West Africa. The encouraging results of the approach on the ground are the result of a combination of a learning method based on FFS and on the application of IPPM techniques based on improved agricultural practices adapted to the local agro-system and based on minimal use of chemicals.
- Further more extensive impact studies will be of course necessary to validate these results. These types of studies are truly complex, involving a large number of small farmers and diverse types of benefits, not just economic but also social and environmental.
- Building on project experience, a revised curriculum on IPPM cotton for FFS in West Africa is being compiled, with financial support from the FAO Multidonor Partnership Programme; it will be published in 2012.
- An approach based on partnership is necessary to the success and adoption of IPPM. The type of partnership should be adapted to the various countries according to existing support-advice services for producers as well as the solidity and interest of stakeholders.
- Support for cotton quality requires more training but also tools and equipment (e.g. harvesting equipment, organic matter transportation, etc.). This should be included in future FFS projects supporting cotton.
- The producer training projects require a minimum of technical supervision, administrative and monitoring-evaluation costs but are necessary for efficient implementation and quality. Currently,

the financing of training coordination (national coordinators, technical assistance, logistics, etc) is not ensured in all parts of West Africa, unless new funding is made available in the short term.

- In some cases, unpredictable weather (e.g. irregular rains, flooding) disrupted activities and made comparisons between FFS/non-FFS producers and between IPPM/non-IPPM plots difficult. More rigorous monitoring of production conditions should be put in place to assist the harvest and data analysis.
- The loss of facilitators for a variety of reasons (reassignment, retirement, death, etc.) is a problem that all extension programmes have to deal with. To resolve this problem, the programme has put in place commitment agreements with the facilitators and their own institutions in order to guarantee their availability for several years after their training. It also gave priority to young facilitators. To date, in Mali, the FAO has worked with the four subsidiaries of the CMDT with a high level of acceptance of IPPM concerning management and the technical team. The conclusion of the CMDT privatisation process and the new framework that will be created should lead to necessary adaptations to the FFS/IPPM tool.
- In Burkina Faso, the cotton companies were not involved in implementing the programme. Although a technical team from SOFITEX was trained in 2004, it did not demonstrate any interest. According to some at the FAO, this lack of interest in IPPM, in comparison with other countries, is probably related with the introduction of GM cotton in Burkina Faso.
- Although some co-financing has been obtained, the precarious financial situation of the cotton sector in West Africa does not lead us to expect that local institutions will be able to support other training sessions based on their own resources. External financing will still be needed for a few years, to (i) continue strengthening the development of capacities in countries where the FFS/IPPM approach is quite recent (e.g. Senegal, Benin); (2) Expand the training of facilitators and producers in specific areas in countries where there are greater capacities, on a case-by-case basis (e.g. certain zones of Mali and Burkina Faso); (3) Support and reinforce the transfer of FFS management responsibilities to institutions like CMDT, OHVN, UNPCB, SODEFITEX). Thanks to results already obtained in strengthening capacities and the level of acceptance, additional support should allow a major return in terms of impact.

Review of seed systems for cotton-cassava production systems (and other related crops) for Malawi, Mozambique and Zambia.

- The study results have already been shared with many other organisations in the sub -region through the SADC seed network in order to contribute to strategy development intended to improve seed systems in the countries of the sub-region.

Regional workshop to review smallholders' capacities to implement good agricultural practices (GAP) (September 2009, Lusaka, Zambia).

- The lessons learned from the visit of the Zimbabwean delegation to Zambia should be shared extensively with extension and training services and with cotton/cassava producers' associations to contribute to the implementation of GAP in Zimbabwe.

Strengthening links between value chain producers and ginners through the use of inclusive business models in Kenya and in Zambia.

The implementation of the “business models” approach in a competitive sector in Kenya and a concentrated sector in Zambia, allows us to make a comparative analysis and to learn the following lessons:

- The strengthening of contractual relations between producers and ginner improves advantages for farmers and overall competitiveness. However, without sufficient bargaining power for farmers at the district level to negotiate higher prices for seed cotton with ginner, it is unlikely that production and quality improvements will include premiums for the farmer. Kenya and Zambia are two extreme but comparable cases. Kenya has long had a solid cooperative system though there is no production contracting system allowing the benefits of potential collective bargaining power. This contributes to low productivity and poor cotton quality. In Zambia, a concentrated number of production systems exist making it possible to produce fibre of better quality. However, despite a quality premium on the global market and a strong national federation of farmers, they receive farm-gate prices for their seed cotton comparable to that of Kenya because of a lack of bargaining power at the district level.
- The inclusive business models approach allows players to analyse ginning efficiency to understand where value is lost and how costs can be reduced for the ginner and the producer. The purchasing platform initiative in Zambia is an example of a result of this approach based on win-win activities that also encourage transparency and trust between players. In Kenya, the trainings and commercial partnership meetings underlined for the cooperative teams the importance of working with ginneries rather than in opposition to them - if they are going to improve their income streams and the livelihoods of their members.
- To meet the production prices problem in Zambia, a model aiming to promote competition was established for producers. This is a credit scheme allowing them to freely purchase inputs without being bound by a contract. The underlying hypothesis was that, with fewer producers, the ginner would have to compete for seed cotton supply and therefore be obliged to increase farm-gate prices to ensure sufficient throughput for the gins. It was decided not to apply this model because of lessons and risks identified by the FAO :
 - In addition to improving production and quality, the justification for the credit scheme underestimated the benefits for producers offered by the farming systems with a guaranteed nearby market and the indirect costs needed to identify other buyers, and for storage, transport and technical supervision.
 - This credit scheme was also justified by the fact that ginner overbilled the cost of inputs in their contracts. A cost analysis revealed that it was actually cheaper to purchase inputs through contractual relations.
 - The implementation of the scheme is too risky without the viewpoint of ginner (which we will probably not receive) on the level of reduction in producers that would persuade them to increase prices.
 - Farmers under contract generally use calendar spraying unless they receive more direct extension assistance. If farmers are in charge of purchasing inputs without extension, to save on costs, they may spray too little or too late impacting negatively on productivity. The scheme also has risks related to enforcing varietal zoning to maintain seed purity.
- In the end, the main lesson concerning the proposed credit scheme was that the overall benefits of contracts were underestimated by the farmers’ organisations. This reinforces the first lesson mentioned: the long-term success of this credit scheme depends strongly on farmers’ collective bargaining power and on the ability of local farmers’ associations to lobby to obtain higher production prices for their members.

- The CAZ²⁷, in Zambia, the CDA²⁸ and the Ministry of Cooperatives and Development in Kenya, were very involved in implementing activities, which lead us to expect that the lessons learned will be integrated in future national programmes.
- Farm Concern International (FCI), Africa-wide market development agency based in Kenya, has been working in close collaboration with the FAO since 2008 on elaborating, adapting and implementing the inclusive business models approach for the cotton industry. This experience is used in Kenya by the FAO in other projects on the value chain.
- The ZATAC (Zambian Agribusiness Technical Advisory Centre) has also established a fruitful partnership with the FAO in developing and teaching a training course that it plans to adapt to other agricultural commodities for future projects.
- The approach and the lessons from the business model approach have been embedded into FAO's field work on farmer-market linkages. For the biennium 2012-2013 FAO has committed to the appraisal and documentation of the application of the business model approach under the All ACP Programme which will include a case study on cotton.

Facilitate market linkages between organic cotton producers and the fashion industry (Uganda, Tanzania, and Kenya) (FAO, in collaboration with the UNCTAD).

- The new project proposal is available and can be used as a base document to develop further national strategies on organic cotton value chain linkage between organic cotton producers and the fashion industry in Tanzania, Kenya and Uganda.
- The training module could be easily adapted and customized to add value to other ongoing and future projects promoting organic cotton production.

"Improving Cotton Production Efficiency in Small-scale Farming Systems through better vertical integration of the supply chain" pilot project, Kenya and Mozambique (CFC/ICAC).

- The creation of FFS strengthened interactions among farmers, in particular in Kenya. These groups constitute a base for various support activities.
- Constantly re-examining of problems related to marketing seed cotton remains a key factor in cotton production.
- It is necessary to set up an appropriate system for exchanging information. Often, research and extension agents don't have sufficient knowledge of farmers' socio-economic conditions, which hinders adoption of technology and the application of technical solutions for their problems.
- Technology transfer and extension approaches must take into account farmers' literacy levels. With the spread of information technologies, there must be more extension services, based on knowledge and focused on demand, and therefore more efficient to meet farmers' information needs.
- Innovative strategies are necessary to encourage greater participation of women, in particular in Mozambique, where the cotton culture is largely considered a male domain, with women involved in essential food crops. With problems related to AIDS/HIV and migrations to the cities, among others, women and young people often become the head of households.
- Strong participation of cotton agencies (CODA and IAM) in project implementation is necessary to ensure that the activities conducted are in coherence with regional strategies.
- The adoption of ICM cotton is a key factor for the sustainability of the cotton value chain. Still, to have a significant impact, the project makes the stakeholders more responsible to get them involved in a value chain approach. By collaborating with ginners, input suppliers and regulators, the project continues to increase their sensitivity to problems and issues.

²⁷ Cotton Association of Zambia

²⁸ Cotton Development Authority (Kenya)

- Furthermore, prior to the end of the project, it should be possible to more precisely determine how current systems can be improved in the two countries and to establish the conditions to ensure work continues after the end of the project. Officials from the Ministry of Agriculture and cotton companies will continue to support farmers. The links with extension services, in particular in Mozambique, have been established and reinforced. The project encouraged strategic collaborations with cotton support initiatives/programmes, present at the local, regional and pan-African levels.

3. Stakeholders trained in, and able to use market-based risk management tools

3.1 Risk management (WB-ARMT): price risk and weather index insurance.

Feasibility study on weather index insurance for the cotton supply chain (Burkina Faso)

The greatest precautions had to be taken prior to implementing any insurance programme. There are other risk attenuation measures such as good agricultural practices, pest control etc. that should be effective before insurance can play any significant role.

Evaluation of cotton supply chain risks in Mozambique

- Collaboration with the IAM is a precious lesson on working with a committed counterparty prepared to accept the skills transfer.
- The concentration of activities in one country rather than scattering resources over a large number of countries shows that this is an effective way of getting results and building solid foundations for the sustainability of results.
- Starting risk management activities with a supply chain risk analysis makes it possible to prioritise activities, rather than focus on products (insurance, derivatives, etc.) right from the start. This makes it possible to identify the various risks and to propose risk management solutions (which are not necessarily insurance products).
- The skills transfer to the countries through “public goods” types of interventions as in Mozambique under the All ACP Programme, makes it possible to establish foundations for sustainable risk management applications addressing the many risks that the cotton supply chain has to face. However, sustainability will be reached through time since risk management is a process. The All ACP Programme has contributed in laying the basis for adopting risk management strategies that could be developed through time. A large part of the skills transfer is provided to Mozambique stakeholders with tools that allow them to make more informed choices.

Regional price risk management training courses

- The support of global cotton experts in developing cotton price risk management training materials was very productive in creating quality content.
- The course modules include a mix of lectures, exercises and quizzes to facilitate understanding.
- Additional training on cotton international markets and international cotton prices would be useful for risk management training. A surprising observation of the training was the limited average knowledge of how markets work and of international cotton prices. Many participants also expressed a desire for follow-up courses and/or that the initial course be made longer to better assimilate the information.
- In Africa, there is strong demand for additional courses on these subjects. Most of the course participants identified a series of organisations that should receive this type of training in their respective countries. There is also demand for advanced courses that would deal with specific aspects of risk management depending on the country.

- By putting the courses on line, interested people/structures would be able to learn on demand, which should contribute to greater dissemination and sustainability of the training material. The website is www.agrisktraining.org. However, only the training course on "Designing Index Based Weather Risk Management Programs" is in French. The other training courses are currently only in English. It is unfortunate that a training course such as "Cotton price risk management" is not also translated into French, given the importance of the potential audience in cotton French-speaking countries. It is to be hoped that the WB-ARMG will be quickly able to find other sources of funding, out of AAACP, to translate into French all the training modules.

3.2 Feasibility study on the creation of a guarantee fund for the cotton value chain in Côte d'Ivoire (UNCTAD)

- The establishment process for a guarantee fund depends above all on a strong and stated political will, a consensus by all players and participants in the industry and technical work and training to be developed.

VII. CONCLUSIONS

After having reviewed the main results achieved, initial impacts and lessons learned, we propose some major observations for concluding this report. They include suggestions for potential areas of support that it would be relevant to finance following the completion of the All ACP Programme.

Observations

In grouping together interventions of the same type and those held over several phases, the cotton component of the All ACP Programme included over 20 interventions of either regional scope (WA, CA, ESA) or concerning one or more countries. The majority of African countries having significant cotton production were directly and/or indirectly concerned by the Programme's activities. Furthermore, these interventions are in coherence with the EU-Africa Partnership Action Framework and the cotton regional strategies.

A participatory approach and the strengthening of the capacities of major stakeholders of African cotton, focusing on the value chain and market oriented, constituted a central element of the cotton activity, both through programme start-up workshops in 2008, the development of cotton regional strategies and the implementation of supports.

A participatory process of strategy development, involving both the public and private sectors, takes time, from the diagnostic phase to strategy validation. And, having run into some delays, the cotton regional strategies were validated late, especially for UEMOA (November 2010) and ECCAS (June 2011), whereas the activities financed by the Programme end at the end of 2011. If the cotton regional cotton had been put in place earlier, cotton interventions linked to the strategies and priority actions could have been better scheduled.

Still, the interventions are part of regional strategies and the recent months of the operational phase of the Programme appear to focus on fostering their ownership and capitalising on the results and lessons learnt.

Cotton regional strategies are now almost part of the institutional landscape of African cotton. However, it remains to adopt these strategies in Ministerial Council for WAEMU and ECCAS and, at ECCAS level, set up the coordination and monitoring committee for its strategy. A critical process will also be to ensure they are solidly anchored in the context of agricultural, land, economic, industrial and trade policies and regional and country development priorities, also at the pan-African level (CAADP/PDDAA). This anchoring should help create a framework for integrating the development efforts (coherence and means) of all public and private agencies/organisations aiding and supporting the sector.

Relevant strategies for cotton must also take into account the changing institutional context in which cotton industries operate. Thus, the comparative study on African cotton sector reforms produced precious information that can help political decision makers and sector players better evaluate challenges and to propose appropriate responses depending on the type of sector in which they operate.

The results of the interventions discussed in section V reveal that the IOs responsible for Programme implementation were able to develop some interesting complementarities and synergies. In particular, these included interventions that involved significant co-funding as from the planning phase (e.g. the project on the prevention of seed cotton contamination); or even activities for which co-funding were developed during implementation (e.g. FAO/IPPM). An interesting example is all the activities in support of the "quality of African cotton" endeavour. This example shows that a market-oriented holistic approach based on the value chain, with activities that are mutually reinforcing, are structuring and bear synergies to benefit the impact, at both the national and regional levels.

This example, as well as others (e.g. IPPM/FFS), show that the development of solid institutional anchors at various levels (local, national, regional) is necessary to better guarantee the sustainability of results and their replicability. In the case of support for the “quality of African cotton”, we should also underscore the relevance and coherence of AAACP interventions with the strategies of private (A.C.A/AProCA) and public (UEMOA) players.

Still, despite the encouraging results, it currently seems difficult to conclude positively on the sustainability of most of the results achieved or on large-scale and long-lasting impacts. There are several reasons that vary in importance depending on the type of support. The following can be mentioned:

- Total financing of €15 million (in the end, close to €16 million) that need to be balanced against the large number of interventions, countries concerned and implementing Agencies.
- Delays in the establishment of several support activities. The causes can be linked to (i) the participatory approach, which guarantees greater ownership, but is often longer to develop with respect to the total time of the Programme, (ii) Difficulties with procedure harmonisation, in an innovative coordination mechanism involving five IOs, is sometimes quite complicated and takes time.
- Some support activities (e.g. prevention of seed cotton contamination, commercial standardisation of instrumental testing, vertical integration of the supply chain/CFC) could be extended beyond the end of the AAACP activities on the ground (end 2011), but using the share of co-funding provided by the IO in charge of the activity.
- As from 2012, no additional funding is foreseen for a series of support activities (e.g. IPPM/FFS, inclusive business models).
- The institutional sustainability and the adoption of results are still insufficient, given the scope and type of process (market-oriented value chain), and/or the complexity of implementation (e.g. contamination prevention, commercial standardisation of instrumental tools). For these interventions, financial sustainability still remains to be built, at least in the medium term.
- A greater account of the main techno-economic constraints of farms (e.g. use of organic fertilizer and constraints related to its manufacture, transportation...) must also be taken to enhance the ownership and dissemination of results.
- Other supports appear to show their limits for effective implementation in the short term. This is the case, in particular, for weather index insurance for which the preliminary results of the feasibility study in Burkina Faso suggest that a high degree of precaution should be taken before implementing any insurance programme.
- The problem of funding the continuation of PFRC activities remains, even if it could be extended for a few months for COMESA and UEMOA/PFRC while ECCAS/PFRC is no longer funded and is inoperative from January 2012.

Finally, we should observe that direct support for local processing of African cotton (textile, seed products) are practically non-existent, both for cotton activities in the Programme and for the EU-Africa Partnership. However, they constitute important support elements for the value chain in the three cotton regional strategies.

Suggestions for future support for African cotton

The results, lessons learned and observations from cotton support activities should not be considered as complete and final since several interventions are still underway and some will be extended beyond the All ACP Programme financing period.

Still, we can make some suggestions for future support for African cotton:

- Regional strategies, based on their implementation plans and priority action plans, and in coherence with the partnership Action Framework, provide a reference framework for future support interventions.
- Targeted support could also be envisaged to assist the strategy coordination committees in their endeavour to ensure their anchorage to development policies and priorities at the regional, national and pan-African levels. The integration of development efforts which must result from it will then facilitate the alignment of the various financing instruments (countries, regional, pan-African) by development partners.
- The coordination committees of the cotton regional strategies and the Regional Cotton Focal Points (RCFP) now constitute a base for expertise and consultation which will make it possible to better define concrete means for effectively and efficiently decentralising COS-coton.
- In relation to the cotton regional strategies, we should prefer support intended to increase the institutional and financial sustainability, of certain results achieved under the cotton component of the All ACP Programme, and to increase their impacts. Such support should continue to focus on strengthening the capacities of players and could deal with, in particular:
 - Support for the African cotton quality endeavour, keeping the market-oriented value chain approach and in connection with continuing interventions to prevent the contamination of seed cotton (until March 2013) and the commercial standardisation of instrument testing (until March 2012). However, an enhanced integration of complementary activities (eg. IPPM/GAP/FFS and prevention of seed cotton contamination need to be achieved.
 - The implementation of inclusive business models as done in Kenya and Zambia also constitute a structuring support with a concrete value-chain approach which helps to improve relations between players, and the industry's efficiency. Future support could usefully continue this approach, provided they also include strengthening producers' bargaining power, which is a key factor.
 - The IPPM/GAP/FFS approach, while encouraging harmonisation and capitalisation of various supports of this type which have been developed in recent years, beyond those of the AAACP, in both WCA and ESA. It will also be important to direct these support to areas where players have demonstrated strong ownership and where there is true institutional involvement.
 - In terms of risk management, and in relation with the previous point, we should first support the implementation or improvement of risk mitigation measures (GAP, IPPM, etc.) before any insurance (e.g. weather index) can play a significant role. Concerning price risk management, greater attention should be paid to the price smoothing mechanism developed in Burkina Faso with the support of AFD/France in order to consider the possibility of extending it and adapting it to other countries. Besides, training on international cotton markets and international cotton prices has also shown itself to be a useful addition to risk management training.

- The comparative study on African cotton sector reforms provided precious information for political decision makers and sector players depending on their industry. It would be important to continue to regularly provide support of this type to better understand the changing contexts/environments and reinforce the relevance of the strategies. For example, although the study on cotton farming systems could not be undertaken under the AAACP, it is still very relevant given the indications and responses it could provide and which could be taken into account by the cotton strategies and agricultural policies.
- Local processing of African cotton constitutes an important aspect in the three cotton regional strategies, despite the major constraints that exist and are known. Still, if these regional strategies become anchored in regional and national development policies, they could begin to help more positively change prospects for local processing. This would involve above all, creating over time an environment that is more conducive to support targeting local processing based on solid technical, financial and economic feasibility studies. Additionally, effective and transparent promotion of African cotton, as initiated under the AAACP, could eventually allow the development of partnerships and attract private investors to local cotton processing, in particular Asian or Indian, who are already present in some African countries.
- The problem of funding the continuation of PFRC activities remains to be addressed. With this aim, it will be also important to carry out an in-depth reflection on the evolution of the PFRC in the light of the decentralization of COS-cotton which should be accomplished during the implementation of the next 10th EDF cotton programme.
- Generally, future support should have in-built monitoring and evaluation systems as from conception, to enable the measurement of performance and impact. Such systems would be based on a few indicators defined and approved by all stakeholders. As per the value-chain approach, additional value generated, and its distribution among the operators, would constitute a major indicator.
- It will be also necessary to improve the mechanisms of implementation of future projects/programs, above all in the view to ensure from the start the quality of the results, in particular in order to better ensure their sustainability and impacts.

DOCUMENTS CONSULTED

- Progress reports and appended documents on cotton-related interventions under AAACP: CFC, FAO, ITC, UNCTAD, WB (SDN&ARMG).
- Programme Tous ACP relatif aux produits de base agricoles, Plan d'action global
- Mise à jour relative au Partenariat UE-Afrique sur le coton (juin 2011)
http://www.coton-acp.org/sites/default/files/documents/downloads/update_of_the_eu-africa_partnership_on_cotton_may_2011_x.pdf
- Présentation résumée du Cadre d'Action pour le Partenariat UE Afrique sur le coton
http://www.coton-acp.org/docs/acpue/Cadre%20d%27Action_Update.pdf
- Stratégie révisée de mise en œuvre de l'agenda pour la compétitivité de la filière coton-textile dans l'UEMOA 2011-2020
http://www.coton-acp.org/sites/default/files/documents/downloads/strategie_uemoa_coton-textile_finale.pdf
- Stratégie de développement de la filière coton-textile-confection en Afrique centrale
http://www.cotonacp.org/sites/default/files/documents/downloads/strategie_coton_ceeac_version_07_juillet.pdf
- Regional strategy for cotton-to-clothing value chain - COMESA
http://www.cotonacp.org/sites/default/files/documents/downloads/regional_comesa_strategy_for_cotton-clothing-value_chain_update_version_2011.pdf
- http://www.cotonacp.org/sites/default/files/documents/downloads/regional_comesa_strategy_for_cotton-clothing-value_chain_update_version_2011.pdf

REFERENCE WEBSITES:

- AAACP website : www.euacpcommodities.eu
- COS-coton website : www.acp-coton.org

ANNEX

ANNEX I – RELATION BETWEEN THE ACTION FRAMEWORK AND THE COTTON COMPONENT OF THE ALL ACP AGRICULTURAL COMMODITIES PROGRAMME.

Cotton support classified by the Strategic Directions of the Action Framework.	IO	Region	Ref	Budget	Status
I. Improving the capacity to devise, monitor, evaluate and update national and regional cotton strategies.					
- Value chain diagnosis, strategy development and planning	ITC	WA/UEMOA	1.WST.B02	294.200	Completed
- Value chain diagnosis, strategy development and planning	ITC	CA/CEEAC	1.CEN.B01b	131.400	Completed
- Value chain diagnosis, strategy development and planning	ITC	ESA/COMESA	1.ESA.B02	147.800	Completed
II. Improving the institutional environment, internal organisation and efficiency of the cotton value chains.					
- Comparative study of cotton sector reforms in Sub-Saharan Africa	BM-SDN	ACP	1.ACP.E02	386.100	Completed
- Strengthening the capacities of the cotton sector in Ghana	BM-SDN	Ghana	2.WST.D04	135.000	On-going
- Strengthening the links between producers and ginners in the value chain using inclusive business models	FAO	Ken, Zamb, Ug	1.ESA.A05	10.000	Completed
- Implementing activities identified in inclusive business models.	FAO	Ken, Zamb, Ug	1.ESA.A06	270.000	Completed
III. Improving the competitiveness of African cotton value chains					
III.A Improving external factors affecting the competitiveness of cotton value chains (reducing cotton supports, market access rules, etc)					
III.B Improving internal factors affecting the competitiveness of cotton value chains (access to trade, technological innovation, productivity, quality)					

All ACP Agricultural Commodities Programme.

<ul style="list-style-type: none"> - Implementation of targeted strategy elements– (1) Strengthening national and regional associations; (2) Improving the transparency of markets and of the value chain: links with cotton importing countries and promoting cotton; (3) Facilitating south-south cooperation along the value chain; (4) Putting spinners in contact with “clean” cotton suppliers (in relation with preventing cotton contamination, CFC/BM) - Regional workshop to review the capacities to implement good agricultural practices (GAP) - Diversification and intensification pilot project in cotton systems in West Africa - Supporting local capacities in order to adopt GAP and IPPM in cotton-cereals-breeding production systems - Strengthening capacities and support for IPPM and integration in the value chain - Review of seeding systems for cotton and cassava production systems - Improving Cotton Production efficiency through better vertical integration of the supply chain - Commercial standardisation of instrument testing of cotton - Preventing seed cotton contamination in West Africa 	ITC	CA	1.CEN.B03	140.200	Completed
		CA	2.CEN.B03	261.100	Completed
		WA	1.WST.B04	411.200	Completed
		WA	2.WST.B04	689.500	Completed
		ESA	1.ESA.B04	205.600	Completed
		ESA	2.ESA.B03	884.300	Completed
	FAO	ESA	1.ESA.A14	17.500	Completed
	FAO	Burkina Faso	0.WST.A01	293.000	Completed
	FAO	Benin, Burkina	1.WST.A06	430.000	Completed
	FAO	Benin, Burkina	2.WST.A01	679.700	Completed
	FAO	Mal, Moz, Zamb	1.ESA.A13	12.500	Completed
	CFC	Ken, Moz	2.ESA.F01	668.200	On-Going
	CFC	Mali, Tanz	0.ACP.F01	2.416.650	On-Going
	WB-SDN	WA	2.WST.D01	361.000	Completed
IV. Reducing the vulnerability of cotton industries					
<ul style="list-style-type: none"> - Weather index insurance for the cotton supply chain - Climatic risk management - Defining price risk policies and management - Transferring capacities to the region - Evaluating risks in the cotton supply chain - Defining price risk policies and management - Transferring capacities to the region 	BM-ARMT	Burkina Faso	1.WST.E01	197.200	Completed
	ARMT	AO	1.WST.E02	162.050	Completed
	ARMT	AO	1.WST.E04	87.500	Completed
	ARMT	AO	1.WST.E07	130.000	Completed
	ARMT	Moz, Oug	1.ESA.E01	100.000	Completed
	ARMT	AEA	1.ESA.E04	92.100	Completed
	ARMT	AEA	1.ESA.E07	200.000	Completed

All ACP Agricultural Commodities Programme.

- Agricultural risk management training and education	ARMT	ACP	1.ACP.E01	65.000	Completed
- Support for cross-disciplinary strategies and activities	CNUCED	Côte d'Ivoire	1.WST.C01	42.000	Completed
- Feasibility study for the creation of a guarantee fund for the cotton sector in Côte d'Ivoire	CNUCED	Côte d'Ivoire	1.WST.C03b	20.000	Completed
V - Increasing added value generated by cotton industries					
- Market linkages between organic cotton producers and the fashion industry	FAO	Tanz, Ken, Uganda	1.ESA.A12	126.000	Completed
VI - Strengthening efficiency and effectiveness of coordination at the international, regional and national levels					
- Support for CEEAC/ ECCAS focal point in Central Africa	ITC	AC	2.CEN.B04	46,700	Completed
- Support for COMESA/IRCC focal point in ESA	ITC	AEA	2.ESA.B04	126,200	Completed
- Support for COS-coton decentralisation in West Africa	ITC	ACP	2.WST.B05	140.200	Completed

Total direct supports : 12.546.600 €

Support to COS-coton : 1.696.554 €

General Support Costs : 1.575.970 €

Grand total:15.819.124 €

WA= West Africa, CA= Central Africa; ESA = Eastern and Southern Africa

WB-SDN= World Bank -Sustainable Development Network; WB-ARMT = World Bank – Agricultural Risk Management Team

ANNEX 2 -COMPARISON OF STRATEGIC (STR) AND OPERATIONAL (OP) OBJECTIVES OF UEMOA AND ECCAS COTTON STRATEGIES

	UEMOA COTTON STRATEGY		ECCAS COTTON STRATEGY
STR I	Improve the productivity of the cotton-textile industries of the UEMOA zone	STR I	Increase cotton production (seed and fibre) by improving productivity and cost effectiveness
OP 1	Reinforce research and promote regional cooperation between the research centres	OP2	Reinforce research on cotton and encourage exchanges between national research centres
2	Guarantee the availability of seeds in terms of quality and in quantity		
3	Facilitate access to quality cotton inputs at a lower cost and on time	3	Facilitate access to quality inputs at competitive prices and on time
4	Secure cotton producers' income	1	Guarantee and secure fair and profitable income for producers
5	Support the strengthening of the producers' and OPC's capacities	4	Strengthen producers' and OPC's capacities
6	Support increasing cost effectiveness of ginneries	5	Strengthen the capacities of ginneries and their employees
7	Reinforce the capacities of regional and national umbrella associations (producers, cotton companies and trade association)	6	Support the structuring and organisation of industry players.
8	Put in place mechanisms to finance the production of seed cotton	7	Finance the developing cotton industry and improve the business environment
		8	Open up production zones and improve the technical and economic performances of transportation fleets
STR II	Improve cotton quality in the UEMOA zone	STR II	Improve and guarantee cotton quality in the sub-region
OP 1	Extend contamination problem resolution actions to the entire UEMOA zone	OP 1	Promote the prevention and reduction of contamination risk with industry players
		2	Reinforce the capacities of industry players in contamination prevention practices, techniques and methods
2	Facilitate the establishment of a cotton certification mechanism in order to increase its commercial value	3	Ensure and guarantee fair distribution of additional revenue gains generated by the sale of better quality cotton
		4	Promote bringing cotton of the sub-region in line with international quality standards
SO III	Support the development and promotion of UEMOA cotton and textiles on the regional and international market	STR IV	Reinforce promotion and marketing of cotton and textiles from the sub-region on the regional and international markets
OP 1	Reinforce players' abilities to market cotton	OP 1	Reinforce players' abilities to market cotton
2	Reinforce players' abilities to market textile, garment making and creation	3	Reinforce players' abilities to market textiles/garment making

3	Promote cotton from the UEMOA zone	2	Promote cotton from the sub-region
4	Promote textiles, garment making and creation from the UEMOA zone	4	Promote textiles, garment making and creation from the sub-region
STR IV	Develop local processing of cotton fibre	STR III	Support and develop fibre processing in the sub-region
OP 1	Create a regional investment fund (or financing mechanism) for the developing cotton-textile industry	OP 3	Finance the developing fibre processing industry
2	Back cotton-textile companies	1	Support existing processing structures
3	Improve the environment of the textile sector	4	Increase efforts to promote investment and improve the business environment
4	Put in place a regional training and consulting programme in textile trades	2	Increase the know-how and capacities of spinning-weaving-finishing players/companies
		5	Reinforce sector integration to promote local processing
STR V	Encourage the development and the promotion of the oil industry (cotton seed)	STR V	Develop and improve the promotion of products from seed pressing
		OP 1	Modernise existing pressing plants and reinforce the skills of their employees
		3	Support the creation of new plants or workshops
		4	Promote all sub-products of seed processing
OP 1	Secure the procurement of pressing in raw materials	5	Secure procurements for pressing industries in raw materials
2	Improve the competitiveness of cotton seed processing products	2	Improve the competitiveness of pressing products

ANNEX 3 - RESULTS TO BE REACHED BY THE COMESA COTTON STRATEGY: COTTON SUB-SECTOR, TEXTILE SECTOR AND CLOTHING SECTOR

	COMESA COTTON STRATEGY
I	Cotton sub-sector
I.R1	The contamination of seed cotton and fibres is reduced so that higher prices can be obtained
I.R2	A transparent and regulated cooperation system is developed between/among producers, ginnerers and dealers
I.R3	Added value, including diversification in sub-products is increased
I.R4.	"Price" and "climate" risk is reduced, to create more stable income
I.R5	Cotton productivity is improved and fibre production is increased
I.R6	Better quality fibre is guaranteed
I.R7	Sales and marketing capacities allowing higher cotton prices cotton are improved
I.R8	An efficient institutional framework serving its members is guaranteed
II	Textile sector
II.R1	The efficiency of processing operations is improved
II.R2	Product development and diversification are improved
II.R3	Market access and the promotion of African textile products to increase trade are expanded
III	Clothing sector
III.R 1	Processing efficiency and product diversification aptitudes are improved
III.R 2	A market information system is developed and African clothing is promoted
IV	Cross-sectoral (textile and clothing) aspects
IV .1	An institutional framework for strategy implementation is established
IV .2	Access to financing is improved and investment is promoted
IV .3	A policy to establish the strategic matrix is consolidated

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