



Promoting cotton by-products in Eastern and Southern Africa

UN Development Account Project 1617K

Implemented by UNCTAD

In partnership with COMESA and UNECA

DRAFT CONCEPT NOTE

National capacity-building workshop

*Golf Course Hotel
Kampala, Uganda
14-16 March 2018*

1. Background

Cotton is one of the traditional cash crops grown in Uganda, third in export value, after coffee and tea. Approximately 250,000 households are engaged in cotton production, each with an average farm size of less than 0.5 hectares.¹ With an average household size of 5 in Uganda,² cotton production supports approximately 1.25 million people.

Lint is considered the primary product from seed cotton and is the raw material for value added activities, such as textiles and garments. At the height of its cotton production in the early 1970s, Uganda produced between 75,000-85,000 metric tonnes (MT) of lint per year, sustaining an integrated textile and garments value chain. Civil strife in the mid-1970s contributed to a collapse of cotton production, to below 20,000 MT per year, along with the textile industry. After liberalization in the early 1990s, production increased on average, despite more volatile fluctuations. High international prices in the 2011-12 season prompted a recent high harvest of 47,000 MT of lint. Prices fell the following season, and lint production averaged around 18,000 MT per year from 2012-16.

Uganda's textile industry remains small after its collapse in the 1970s. The Cotton Development Organisation (CDO) estimates that the Ugandan sector added value to only 3.3% of total lint production in 2016. Meanwhile, all cottonseed produced in the country is consumed by domestic oil millers, yielding by-products such as edible oil, animal feed and soap.

No major commercial activities exist in Uganda for the other parts of the cotton plant that can be processed into by-products. Cotton stalks are unutilized, as farmers either destroy them in the field or burn them as fuel. Oil millers sell the husks they recover to small-scale mushroom growers, or burn them as fuel. And the production volume of linters has proven too small to sustain a commercial activity.

Underutilised cotton by-products therefore represent an unrealised source of revenue, jobs and economic activity for stakeholders, including farmers, and the Ugandan economy.

In this context, the United Nations Conference on Trade and Development (UNCTAD), with the support of its partners, the United Nations Economic Commission for Africa (UNECA) and the

¹ Baffes, J. (2009). The Full Potential of Uganda's Cotton Industry. *Development Policy Review*, 27 (1), pp. 67-85.

² Uganda Bureau of Statistics

Common Market for Eastern and Southern Africa (COMESA), designed a project to address some of these challenges, in particular to fill the data and policy gaps that restrain the development value addition activities on cotton by-products. UNCTAD is implementing the project in four ESA countries: Tanzania, Zambia, Uganda and Zimbabwe. The Cotton Development Organisation (CDO) is the project's government focal point in Uganda.

To address the data gap in Uganda, the project commissioned a survey on cotton by-products in the country (Activity 1.1). The survey findings and final report will inform the project's subsequent activities, including a three-day national capacity-building workshop.

The workshop will comprise a two-day programme on 14-15 March for stakeholders to identify opportunities in cotton by-products and devise strategies to realise them (A 1.3), followed by a one-day workshop on 16 March for policy-makers to identify policies to support these strategies (A 2.1).

2. Stakeholder Workshop, 14-15 March

Expected outcomes

According to the project's logical framework, the two-day stakeholder workshop (A 1.3) is intended to contribute to the project's achievements in Uganda, as follows:

Expected project achievements	Indicators	Expected outcomes from the stakeholder workshop (A 1.3)
EA1 Improved capacity of cotton value chain stakeholders to assess the potential value, market situation and prospects for cotton by-products.	<p>IA 1.1 Uganda has collected and analysed statistics on the cotton by-products value chain, including the availability of raw material, processing and market conditions of these by-products (i.e., cotton seed and/or stalk).</p> <p>IA 1.2 Uganda has developed and adopted a national action plan, aiming to increase the value added of cotton by-products.</p>	<p>(i) Disseminate the survey findings (A1.1);</p> <p>(ii) Build capacity of cotton value chain stakeholders to evaluate investment opportunities and the market potential for value addition to cotton by-products;</p> <p>(iii) Agree on the key elements of a national action plan to add more value to cotton by-products, including the evidence-based policies and investment profiles planned for this project; and</p> <p>(iv) Discuss and establish a multi-stakeholder committee to monitor the implementation of the action plan.</p>

Outline of programme

According to the expected outcomes, the preliminary two-day workshop programme will comprise sessions on the following topics:

- Presentation and discussion of the survey findings;
- Increasing seed cotton production in Uganda;
- Identification of priority cotton by-products activities for development;
- Formulating strategies for priority cotton by-products activities;
- Recommendations for a national action plan on developing cotton by-products (deliverable);
- Coordination of the cotton value chain and identification of a multi-stakeholder oversight committee for implementation of the national action plan (deliverable); and
- Adoption of deliverables and closing.

3. Policy Workshop, 16 March

Expected outcomes

According to the project's logical framework, the one-day policy workshop is intended to contribute to the project's achievements in Uganda, as follows:

Expected project achievements	Indicators	Expected outcomes from the policy workshop (A 2.1)
EA2 Improved capacity of policymakers to (a) formulate evidence-based policies that improve the value added of cotton by-products; and (b) devise investment profiles to attract potential investors.	IA 2.1 Uganda has drafted concrete policies to enhance the value added of cotton by-products. IA 2.2 Cotton by-product investment profiles developed in Uganda.	(i) Assess the current policy framework for cotton by-products value addition in Uganda, based on the findings of the survey (A1.1); (ii) Review policy best practices with respect to cotton by-products; and (iii) Identify policy gaps and their remedies to develop cotton by-products in Uganda.

Outline of programme

According to the expected outcomes, the preliminary one-day workshop programme will comprise sessions on the following topics:

- Presentation and discussion of the survey findings and the draft action plan from the stakeholder workshop;
- Identification of policy gaps with respect to: cotton cultivation and value addition to cotton by-products;
- Review policy best practices with respect to increasing value addition to cotton by-products;
- Formulate policy proposals to remedy gaps and inform investment profiles (deliverable); and
- Adoption of deliverables and closing.

4. Venue

UNCTAD will hold the workshop at the Golf Course Hotel, on Yusuf Lule Road in Kampala. Participants can contact the hotel directly at the following coordinates: tel - +256.31.230.2280, email - marketing@golfcoursehotel.com.

5. Participants

Commercial stakeholders from throughout the cotton by-products value chain will participate in the workshop, including, for example: farmers, intermediaries, ginners, oil millers and stock feed producers. Representatives from business, investment and entrepreneurship will also be invited. Policy makers and regulators will be the other key participants. In addition, the workshop will welcome participants from civil society and the press.

Gender mainstreaming is a programming priority in all UN activities. UNCTAD therefore aims for women to comprise 50 per cent of farmers participating in the workshop and 30 per cent of total participants.

The project plan provides for 60 participants at the stakeholder workshop (14-15 March) and 20 participants at the policy workshop (16 March). UNCTAD will adjust the number of participants as necessary, in consultation with CDO.

6. Press

UNCTAD will arrange press coverage of this evening, including the opening, in collaboration with CDO. Photos taken at the workshop will be used for communications purposes, including in the workshop report.

7. Contacts

General information on the project, including the project document, background materials and activity reports, can be found at the project site:

<http://unctad.org/en/Pages/SUC/Commodities/SUC-Project-1617K.aspx>

Please address specific inquiries to the following UNCTAD staff members:

Project Leader:	Ms Yanchun Zhang Chief, Commodity Policy and Outreach	yanchun.zhang@unctad.org Tel: +41.22.917.5790
Project Officer:	Mr Kris Terauds Economic Affairs Officer	kris.terauds@unctad.org Tel: +41.22.917.5931
Logistics and administration:	Ms Catherine Katongola Ms Danièle Boglio	catherine.katongola@unctad.org Tel: +41.22.917.1648 daniele.boglio@unctad.org Tel: +41.22.917.6286