



## Promoting cotton by-products in Eastern and Southern Africa

*UN Development Account Project 1617K*

*Implemented by UNCTAD*

*In partnership with COMESA and UNECA*

### CONCEPT NOTE

#### National capacity-building workshop

*Hotel Brontë*

*Harare, Zimbabwe*

*25-29 September 2017*

#### 1. Background

Cotton is an established cash crop in Zimbabwe, cultivated for almost a century. Through the 1990s, the long-term average annual production of seed cotton remained above 220,000 metric tonnes (MT), reaching a record 353,000 MT in the 1999-2000 season. An extensive network of ginneries sold much of their lint to an integrated, domestic cotton-to-clothing value chain, as well as all of its cottonseed to domestic oilseed millers. These activities employed approximately 300,000 farming households, 10,000 ginnery workers, as well as 30,000 workers in the textile industry.<sup>1</sup>

Nevertheless, even at its height, the cotton by-product value chain was underdeveloped, in comparison with the lint value chain. By-products such as cotton stalks remain unutilized in Zimbabwe, with farmers either burning or ploughing them over in the field. Meanwhile, there is little integration of downstream activities that transform cottonseed into, for example, edible oil and stock feed. These factors represent unrealized potential to increase the value added to cotton by-products in Zimbabwe, along with its benefits of increased income and employment at each node of the value chain.

In recent years, falling seed cotton production has aggravated problems in the lint and by-products value chains. From its recent high of 350,000 MT in the 2011-12 season, seed cotton production collapsed to 104,000 MT in the 2014-15 season, and then to approximately 29,000 MT in 2015-16. Zimbabwe's Agricultural Marketing Authority (AMA) estimates that production will recover somewhat in the 2016-17 season, to 70,000 MT. Without a sufficient supply of seed cotton, value added sectors have imploded, with only a small fraction of the installed ginneries, oil and textile mills still in operation. Employment in the sector has also plummeted, to approximately 200,000 farming households, 5,000 ginnery workers and 4,000 workers in the textile industry.<sup>2</sup>

This collapse in seed cotton production is due to a variety of factors, including: weak international lint prices, contributing to non-remunerative farm-gate prices; adverse, El Niño-related weather conditions; the falling value of input support provided to farmers by ginners and the Government; and a corresponding fall in yields per hectare.<sup>3</sup>

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<sup>1</sup> UNCTAD, 2017. Cotton and its by-products sector in Zimbabwe. UNCTAD, New York and Geneva. UNCTAD/SUC/MISC/2017/3. Available at: [http://unctad.org/en/PublicationsLibrary/websuc2017d3\\_en.pdf](http://unctad.org/en/PublicationsLibrary/websuc2017d3_en.pdf).

<sup>2</sup> AMA.

<sup>3</sup> UNCTAD, 2017.

Developing value added to cotton by-products in Zimbabwe therefore depends not only on attracting investment in new or existing operations, but also on reviving seed cotton production.

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 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 of value added activities on cotton by-products. UNCTAD is implementing the project in four ESA countries: Tanzania, Zambia, Uganda and Zimbabwe. The Ministry of Commerce and Industry is the project's government focal point in Zimbabwe.

To address the data gap in Zimbabwe, 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 27-28 September 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 29 September for policy-makers to identify policies to support these strategies (A 2.1). The remaining two days (25-26 September) are reserved should the stakeholders choose to organise informal side activities, such as a site visit or field trip.

## 2. Stakeholder Workshop, 27-28 September

### *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 Zimbabwe, as follows:

Expected project achievements	Indicators	Expected outcomes from the stakeholder workshop (A 1.3)
<p><b>EA1</b> Improved capacity of cotton value chain stakeholders to assess the potential value, market situation and prospects for cotton by-products.</p>	<p><b>IA 1.1</b> Zimbabwe 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><b>IA 1.2</b> Zimbabwe 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;
- Actions needed to increase seed cotton production in Zimbabwe;

- 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 new or existing multi-stakeholder oversight committee for implementation of the national action plan (deliverable); and
- Adoption of deliverables and closing.

### 3. Policy Workshop, 29 September

#### *Expected outcomes*

According to the project’s logical framework, the one-day policy workshop is intended to contribute to the project’s achievements in Zimbabwe, 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.	<p><b>IA 2.1</b> Zimbabwe has drafted concrete policies to enhance the value added of cotton by-products.</p> <p><b>IA 2.2</b> Cotton by-product investment profiles developed in Zimbabwe.</p>	<p>(i) Assess the current policy framework for cotton by-products value addition in Zimbabwe, based on the findings of the survey (A1.1);</p> <p>(ii) Review policy best practices with respect to cotton by-products; and</p> <p>(iii) Identify policy gaps and their remedies to develop cotton by-products in Zimbabwe.</p>

#### *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 Hotel Brontë on Baines Avenue in Harare. Participants can contact the hotel by phone at +263.4.707.5227.

### 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 (27-28 September) and 20 participants at the policy workshop (29 September). UNCTAD will adjust the number of participants as necessary, in consultation with the Ministry of Industry and Commerce.

## 6. Press

UNCTAD will arrange press coverage of this event, including the opening, in collaboration with the Ministry of Industry and Commerce and the UNDP office in Harare. Photos taken at the workshop will be used for communications purposes, including in the workshop report.

## 7. Logistics

For information on logistics – e.g. invitations, visas, accommodation, travel and workshop documentation – please consult the Logistics Note, available on the project site (see below).

## 8. 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>

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