



Promoting cotton by-products in Eastern and Southern Africa



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UN Development Account Project 1617K
Implemented by UNCTAD

Beneficiary countries: Tanzania, Uganda, Zambia, Zimbabwe

Duration: 2016-2019

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

Inception missions complete; surveys underway

The UNCTAD team launched the project's activities in the two remaining countries, in Zambia on 20-24 March and Uganda on 23-27 April. These inception missions served to meet key stakeholders and solicit their input on planned activities. The project's first major activity in each country is to conduct a survey on cotton by-products, so the project team also met potential survey providers during the inception missions.

In parallel, the project recruited consultants to conduct surveys in Tanzania, Zambia and Zimbabwe, with the recruitment in Uganda due to be complete in June. Below are details on the latest inception missions and the beginning of the survey activities.

1. Inception mission to Zambia

The project team met senior officials at the Ministry of Commerce, Trade and Industry and the Ministry of Agriculture, as well as with the Cotton Board of Zambia, and the Zambia Development Agency. Among the commercial actors, the project team met with the Cotton Association of Zambia (farmers) and the Zambia Cotton Ginners Association.

With this project's focus on cotton by-products, a key stakeholder group would be cottonseed oil millers. But the sector collapsed in Zambia after liberalization, with the ginners now exporting nearly all of their fuzzy seed.

Guidance on project priorities

Among the many challenges facing the cotton sector in Zambia, interlocutors underlined several priorities that the project will need to address, through its activities or policy recommendations:

- Inadequate extension services;
- Competition from maize, which receives more government support than cotton;
- Competition from inexpensive imports of second-hand clothing and palm oil which undermines value addition;
- Absence of a consensus formula for the price ginners pay for seed cotton; and

- Absence of value addition activities for both lint and fuzzy seed.

Relevant studies and initiatives

The Indaba Agricultural Policy Research Institute has published many recent policy studies of Zambia's cotton sector.

The Cotton Development Trust has conducted detailed background research on converting cotton stalks into particle board, as part of its 2008 project proposal to the International Cotton Advisory Council.^{1,2}

The International Trade Centre implemented several activities in Zambia from 2014-16, including, for example, supporting the Cotton Association of Zambia to establish the cooperative Mumbwa Farmers' Ginning and Pressing Company in Central Province.

From 2009 to 2016, the German Corporation for International Cooperation (GIZ) implemented the Competitive African Cotton Initiative (COMPACI) in several African countries, including

¹ Cotton Development Trust, 2008. Project Proposal: Economic Utilization of Cotton By-Products for Zambian Smallholders: Cotton Stalk-Based Chip in the Manufacture of Particle Board. Available at: https://www.icac.org/delegates/sc_notices/sc_meeting_500/500at3.pdf

² Mr. West Chitah, then Director of the Cotton Development Trust, prepared the proposal. Mr. Chitah, since retired, also prepared the background paper on cotton and its by-products in Zambia for this project.

Zambia, with activities on training for farmers, as well as a microfinance scheme delivered through the ginners.

2. Inception mission to Uganda

The project's government focal point, the Cotton Development Organisation (CDO) organized an extensive programme of meetings for the mission, including the Minister of Trade, Industry and Cooperatives and the Uganda Investment Authority.

The project team also met with groups of the main value chain actors, including: the Uganda Ginners and Cotton Exporters Association, Uganda Cotton Oil Producers Association and the Textile and Manufacturers Association of Uganda and some of their members. CDO also assembled a group of individual farmers to meet with the project team.

Guidance on project priorities

Interlocutors encouraged the project team to focus its activities in Uganda on the following themes:

- Increasing cotton production by improving farmers' incentives and yields;
- Value addition activities for lint;
- Organization among farmers;
- Challenges faced by women in the value chain, as farmers and entrepreneurs;
- Prioritize small-scale commercial actors, from SMEs to cottage industries;
- Prioritize investments that create jobs and economic activity in rural areas; and
- Align the promotion of cotton by-products with the Government's "Buy Uganda, Build Uganda" policy.

Relevant studies and initiatives

From 2011-14, the Government of India funded the Cotton Technical Assistance Programme for Africa in several African countries, including Uganda.

The GIZ COMPACI initiative (see the Zambia section above) also conducted activities in Uganda.

The International Fund for Agricultural Development implemented two projects during the cotton sector's post-liberalization transition: the Smallholders' Cotton Rehabilitation Project (1993-1996) and the Cotton Sub-sector Development Project (1994-2001). In addition, the ongoing Vegetable Oil Development Project (1997-present) promotes the development of oilseeds that compete with cottonseed.

3. Surveys underway

Research on cotton tends to focus on cotton lint, the primary product derived from the cotton plant. Among its objectives, this project aims to fill the information gap that exists for cotton by-products, as prerequisite to establishing a business case for investments in value addition activities. The first main activity is therefore a survey on cotton by-products in each country.

The survey has two objectives: i) to collect quantitative data that will serve as a baseline for the project, as well as inform evaluations of investment opportunities; and ii) to collect qualitative feedback from stakeholders on the challenges to overcome, which will inform subsequent project activities, including a national capacity-building workshop.

As of the end of May 2017, UNCTAD has recruited consultants who have begun work on the surveys in Tanzania, Zambia and Zimbabwe. UNCTAD will complete the recruitment of a consultant in Uganda in June.

In the end, UNCTAD selected the following three survey providers from a number of highly qualified applicants:

- **Tanzania:** Dr Deograsias Mushi;
- **Zambia:** Mr Stephen Kabwe; and
- **Zimbabwe:** Dr Gibson Chigumira.

The delivery schedule for the three surveys is staggered, with the final results expected during the summer and early autumn of 2017. These results will then inform the programme of the national workshops, scheduled through the fourth quarter of the same year.

4. Upcoming national workshops

The surveys in each country will inform a national capacity-building workshop. These workshops will involve a two-day programme for stakeholders, to review the survey results and other inputs and identify investment opportunities in value addition activities, as well as strategies to pursue them. There will also be a one-day programme for policy makers to identify policies necessary to support the strategies elaborated by stakeholders.

UNCTAD has proposed the following tentative dates for the national workshops, still to be confirmed by the governments:

- **Zimbabwe:** late September 2017;
- **Tanzania:** early November 2017;
- **Zambia:** early December 2017.

Once the governments confirm the final dates for the national workshops, UNCTAD and its national focal points will begin organizing the workshop programme and inviting experts and participants.

5. Next steps

In the coming three months, the UNCTAD project team will undertake the following activities:

1. Recruit a survey provider in Uganda;
2. Review the results from the first completed surveys;
3. Begin organizing the national workshops in Tanzania, Zambia and Zimbabwe.

Contact us

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