

## CDE SECTOR PROGRAMME 2008

<b>TEXTILE SECTOR</b>	<b>Fair Trade Cotton &amp; Finished Textile Products</b>	
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<b>Duration: 2 Years</b>	<b>Start: 2008</b>	<b>End (forecast): 2009</b>
<p><b>Global objective</b> To contribute towards increased local valued added in the cotton/textile sector leading to new job creation</p> <p><b>Specific objectives</b></p> <ul style="list-style-type: none"> <li>• To sustain the Fair Trade Cotton System in the 4 pilot countries (Mali, Senegal, Burkina Faso, and Cameroon) and to extend into a new countries with a strong cotton growing tradition (e.g. in Madagascar and other parts of Eastern Africa)</li> <li>• To sustain the clothing/textile artisanal company networks/clusters created in 4 pilot countries (Madagascar, Mali, Senegal and Burkina Faso)</li> <li>• To foster local value addition in the textile sector where opportunities arise (e.g. textile finishing)</li> </ul>		
<p><b>Target regions and countries:</b> Western &amp; Central Africa: Mali, Burkina Faso, Senegal, Cameroon Eastern Africa: Madagascar, Mauritius</p>		
<p><b>Beneficiaries:</b></p> <ul style="list-style-type: none"> <li>• Regional Cotton Producer Associations from Mali, Senegal, Burkina Faso, Cameroon and possibly Madagascar (representing around 30.000 cotton farmers)</li> <li>• 5-10 clothing/textile artisanal companies per country with development potential from the selected clusters in Mali, Senegal, Burkina Faso and Madagascar – Total: around 40 companies</li> <li>• 4 Business associations/company networks in the 4 countries representing around 120 companies</li> <li>• 2-3 potential textile companies</li> </ul>		

### Programme outline

<b>Context</b>	<p>The textile sector has gone through dramatic changes over the last five years, especially after the end of the multifibre agreement in 2005 and the arrival of China and India as the new global players in this industry. These global developments also had a significant impact on the sector in Africa leading to the quasi disappearance of an industrial textile sector in Western Africa and to a substantial threat for the clothing sector in Eastern Africa.</p> <p>The CDE has been active in the textile sector in Sub-Saharan Africa over many years and in particular since 2004 with its Sub-Saharan Textile &amp; Clothing Programme. CDE's strategy was to take those global developments into account and focus its support on particular market niches with development or survival potential. The strategy is aimed to be continued in the coming two years.</p>
<b>Intervention Logic &amp; methodology:</b>	<p>The programme focuses on those cotton &amp; textile products with real market potential for exporting (for fair trade cotton and some textile artisanal products) as well as for the local/regional market (mainly textile artisanal products and some specialised clothing products like uniforms &amp; work wear), which have been established during the first phase of the textile programme (period: 2004-2006/7).</p> <p>Apart from the marketing work necessary to expand those market opportunities, the major goal is to strengthen the various companies via the network/ cluster approach, where resources get pooled together for achieving greater competitiveness.</p> <p>The CDE programme has been based on the expressed needs by the sector players via targeted sector studies as well as the organisation of industrial consultations in the various countries.</p>
<b>Complementarity with similar Programmes/ Actions:</b>	<p>The main donor agencies active in the textile sector are the World Bank, ITC, UNIDO as well as some bilateral cooperations such as GTZ and AFD/MAE. CDE is actively cooperating with the following institutions:</p> <ul style="list-style-type: none"> <li>• <b>French Foreign Ministry (MAE):</b> joint project to develop fair trade cotton in Western and Central Africa with MAE's contribution of Euro 600.000</li> </ul>

	<ul style="list-style-type: none"> <li>• <b>AFD in Western Africa &amp; Madagascar:</b> joint project in Madagascar on Textile Mada with AFD financing of Euro 800.000 over three years focusing on training &amp; Corporate Social Responsibility, proposal for joint projects in Senegal and Mali under discussion</li> <li>• <b>World Bank Programme in Western Africa &amp; Madagascar:</b> focus in Madagascar is on macro-economic issues, however, in regular contact for information exchange and for potential future projects, in Senegal, likely realization of financing specific trainings for local cluster</li> <li>• <b>Cooperation with government ministries in Mali and Madagascar:</b> co-financing of small projects with regard to training</li> </ul> <p>See <a href="#">annex 1</a>: list of International Organisation's programmes.</p>
<b>Sources of Technical Expertise and Competences</b>	<ul style="list-style-type: none"> <li>• 2-3 technical experts will assure the technical coherence, monitoring and evaluation of the sector programme;</li> <li>• For the implementation of the textile programme, collaborations with a number of sector associations and/or technical centres will be pursued depending on the relevant expertise required. (See details in <a href="#">annex 2</a> for potential partners), e.g. with IFTH of France in finished fair trade products, clothing cluster of Roubaix for Madagascar cluster or textile associations of Italy and Spain for company missions.</li> <li>• A shortlist of over 30 established consultancy firms/individual consultants, specialised in the various technical fields of the textile sector (selected by restricted tender and therefore immediately available)</li> </ul>
<b>Verifiable Indicators:</b>	<ul style="list-style-type: none"> <li>• Export Sales above baseline established at outset of intervention</li> <li>• Established Partnerships with Target Market Operators</li> <li>• Employment Growth linked to exports/market expansion</li> <li>• Creation of transferable skills: e.g. production/technical skills, marketing skills, industrial behaviour</li> <li>• Proportion of CDE assistance budget to regional Intermediary Organisations (IO), regional training centres and regional service providers;</li> <li>• Number of enterprises and staff who have benefited from CDE assistance;</li> </ul>
<b>Sources of Verification:</b>	<ul style="list-style-type: none"> <li>• Company Data via CDE company profiles</li> <li>• Intervention Consultant reports</li> <li>• CDE monitoring reports</li> <li>• Potential external evaluation/reporting</li> <li>• National statistics offices of concerned countries</li> </ul>
<b>Assumptions and risks:</b>	<ul style="list-style-type: none"> <li>• No major political crisis and major exchange rate fluctuations in chosen countries</li> <li>• Timely provision of programme resources over the required timeframe</li> </ul>

## Activities

<b>Principal Activities Realised In 2004-2006/7</b>	<p><b><u>Fair Trade Cotton:</u></b></p> <ul style="list-style-type: none"> <li>- Certification and training of cotton producer organisations</li> <li>- Set up of cotton tracking system in textile supply chain</li> <li>- Communication &amp; Marketing campaign in French market</li> <li>- Licensing of marketing partners in French market</li> </ul> <p><b><u>Textile Artisanal &amp; Clothing Cluster Development:</u></b></p> <ul style="list-style-type: none"> <li>- Identification and profiling of textile companies in 4 pilot countries</li> <li>- Organisation of Industrial Consultations to assess needs of sector</li> <li>- Creation of working groups linked to priority needs</li> <li>- Creation of cluster structure: association, cluster manager</li> <li>- Development of Project Pipeline &amp; Implementation</li> </ul> <p><b><u>Textile Industry:</u></b></p> <ul style="list-style-type: none"> <li>- Discussion of Textile Development Strategy for UEMOA</li> <li>- Development of Action Plan for implementation of textile strategy</li> </ul>
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<p><b>Activities Planned for 2008</b></p>	<p>Building on the activities of the above mentioned first programme phase:</p> <p><b><u>Fair Trade Cotton:</u></b></p> <ul style="list-style-type: none"> <li>- Finalisation of fair trade structure in 4 pilot countries: final set-up of permanent support structures on the ground and in Europe, transfer of project to International Fair Trade Label Organisation.</li> <li>- Extension of target market (currently mainly France) into other major European fair trade markets like the UK, Netherlands or Belgium).</li> <li>- Extension of producer countries like Madagascar: training of cotton producer organisations &amp; certification, development of textile &amp; clothing supply chain.</li> </ul> <p><b><u>Textile Artisanal &amp; Clothing Cluster Development:</u></b></p> <ul style="list-style-type: none"> <li>- Support to priority projects of existing networks in the following field: market development, productivity improvement, human resource training and organisational structuring</li> <li>- Examples: Set-up of Textile Services Centre in Madagascar as well as Artisanal Cooperatives in Western Africa</li> </ul> <p><b><u>Textile Industry:</u></b></p> <ul style="list-style-type: none"> <li>- Support to textile projects with clear local value addition potential (e.g. plan to develop textile finishing capacity in Madagascar)</li> </ul> <p><b><u>Planned Co financing (estimate)</u></b></p> <ul style="list-style-type: none"> <li>- <i>Fair Trade Cotton/Textile:</i> <b>Euro 75.000</b> secured in co-financing from LuxFund for Burkina Faso</li> <li>- <i>Cluster Madagascar:</i> Support from AFD of <b>Euro 100.000</b> in 2008 secured for Textile Mada</li> <li>- <i>Cluster artisanal Burkina Faso:</i> <b>Euro 75.000</b> by LuxFund secured</li> </ul> <p><b><u>Technical Centre Support</u></b></p> <ul style="list-style-type: none"> <li>- Cooperation of Textile Mada with ESMOD (Fashion Business School) in 2008 as well as ongoing cooperation with textile cluster of Roubaix since 2005 (Cité de l'Initiative)</li> <li>- Cooperation with research facilities for fair trade project in 2008 (Helvetas of Switzerland and potentially CIRAD of France), especially concerning organic cotton</li> </ul>
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## Results

<p><b>Expected Results in 2008</b></p>	<ol style="list-style-type: none"> <li>1) Development of sustainable fair trade cotton system in four pilot countries, which needs targeted external financial support for expansion after 2007 and development of new fair trade markets in EU</li> <li>2) Improvement of currently established 4 company networks/clusters in key areas like employment, skills building, productivity</li> <li>3) Realization of 1-2 pilot projects for setting up finished textile capacity in Madagascar and potential in one West African country</li> </ol>
<p><b>Results already achieved since the start of the programme</b></p>	<p>During the first phase of the textile programme from 2004-2006/7, the following results have been achieved:</p> <p><b><u>Fair Trade Cotton:</u></b></p> <ul style="list-style-type: none"> <li>- Creation of fairtrade cotton system in 4 pilot countries</li> <li>- Commercialisation of 5.000t of fairtrade cotton in 2006 leading to an additional income of Euro 1.5m for the included cotton farmers</li> <li>- Aim for 2007 will be around 9.000t</li> </ul> <p><b><u>Textile Artisanal &amp; Clothing Cluster Development:</u></b></p> <ul style="list-style-type: none"> <li>- Creation of four clusters (Textile Mada &amp; Artisanal Cluster in Madagascar, RESENTEX in Senegal, UPROTEX in Burkina Faso and RESET Mali).</li> <li>- Set-up of cluster management and realisation of first projects based on established priority list by companies focusing on specific trainings (e.g. industrial behaviour, technical training), productivity improvements, etc.</li> </ul> <p><b><u>Textile Industry:</u></b></p> <ul style="list-style-type: none"> <li>- Development of UEMOA Textile Strategy approved by companies in 2006.</li> </ul>

<b>CDE budget 2008</b> <b>€ 700.000</b>	<b>Pro€Invest</b>	<b>Co-financing</b> <b>€250.000</b>	<b>Global budget 2008</b> <b>€ 950.000</b>
		<b>ACP Beneficiaries</b> <b>Cooperating Agencies €250.000</b> (see under activities planned 2007)	
<b>CDE Regional Field Offices</b>		West Africa: <a href="mailto:aab@cde.int">aab@cde.int</a>	East Africa: <a href="mailto:vme@cde.int">vme@cde.int</a>

**Annex 1 List of Organisations and Institutions / Programmes**

<b>Donor</b>	<b>Region / Country</b>	<b>Programme</b>	<b>start</b>	<b>end</b>
World Bank	Western Africa	Fonds à Frais Partagés – Plusieurs Pays	2005	2010
World Bank	Eastern Africa	Country Private Sector Development Programmes, e.g. in Madagascar	2005	?
UNIDO	Western Africa	Integrated National Programmes, e.g. Mali, Senegal	2005	?
UNIDO/WTO	Western Africa	Regional Cotton/textile programme (in preparation)	2007?	?
BAD/FAO	Western Africa	Cotton & Textile Programme (in preparation)	2007?	
AFD/MAE	Western Africa	National Cotton Support Programmes, e.g. in Burkina Faso and Mali	2006	?
AFD/MAE	Madagascar	Support to Cluster Textile Mada as well as to Artisanal Textile Cluster	2005	2007
Dutch Cooperation/SNV	Western Africa	National Cotton Support Programme in Benin	2005	?
GTZ	Eastern Africa	Public-Private Partnerships – Better Cotton Initiative in a number of countries	2005	?
Austrian Cooperation	Burkina Faso	Technical Assistance on ad-hoc Basis	?	?
Swiss Cooperation	Western Africa	Technical Assistance on ad-hoc Basis	?	?

<b>Sector</b>	<b>Country</b>	<b>Name</b>	<b>Relevant features re. CDE</b>
Cotton	France	CIRAD-Centre de Coopération Internationale en Recherche Agronomique pour le Développement	Studies presented during Cotton Conferences
	France	Max Havelaar France – Fair Trade Cotton Label	Active use in Fair Trade Cotton Project
	Switzerland	Helvetas	Bio Cotton in Mali-link with Fair Trade being explored
Textile & Clothing	France	IFTH- Institut Français pour le Textile et l’Habillement	Clothing Study for Fair Trade Project
	France	Cité de l’Initiative – Clothing Cluster in Roubaix	Technical Assistance for Madagascar Clothing Cluster
	Italy	SMI- SISTEMA MODA ITALIA	Cooperation with Textile Mada
	Germany	ITV- Institut für Textil-und Verfahrenstechnik Denkendorf	For potential research requests
	Portugal	CITEX- CENTRO DE FORMACAO PROFISSIONAL DA INDUSTRIA TEXTIL	For potential future training projects in Lusophone Countries
	Switzerland	SwissContact	Cotton Transformation Training-used for cluster project Burkina Faso

Note: Full List of Textile & Clothing Associations and Technical Centres in EU is available on request