

COMMON FUND FOR COMMODITIES
- CO-OPERATION FOR DEVELOPMENT -

Statement by
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Managing Director

on the occasion of the final
dissemination seminar
of the project
**Commercial Standardization
of Instrument Testing of Cotton
(CFC/ICAC/33)**

18 January 2012, Arusha



Excellencies, Distinguished Participants, Ladies and
Gentlemen,

Let me first join the Chairman in warmly welcoming you all to this beautiful city of Arusha, in the hospitable country of the United Republic of Tanzania which, as you may know, happens to be my home country.

It gives me particular pleasure to welcome you all to this concluding seminar for this project which has been instrumental in establishing two Regional Technical Centres for the cotton sector in Africa. These two "centres of excellence" are characterised by a high level institutional capacity and they are also capable of providing quality assessment and control services to cotton producing countries in their respective geographical regions. I think we can be very proud that, after

years of intensive work, we have been able to contribute to the increase of the competitiveness of African cotton by strengthening a key element in the cotton supply chain.

Let me therefore express my thanks and appreciation to the host of this seminar, Dr Charles Ekelege, Director of the Tanzania Bureau of Standards, and his staff, supported by the team of the Fibre Institute of Bremen, for making the efficient arrangements for the hosting of this two-day meeting.

Ladies and Gentlemen,

After more than four years of implementing a wide range of activities, we have come to the end of this CFC/EU supported project. The formal end of a project implies that both donor organisations do step back to allow the regional and national partners to continue and expand the work undertaken so far. The just completed project should be considered as an activity, undertaken under the technical responsibility of the FIBRE Institute and here I would like to mention the important role played by Mr Axel Drieling, the responsible project manager. As you know, in Mali the project was effectively hosted in CERFITEX, Segou, benefiting from the personal commitment of its former Director, Dr Djibrilla Maiga and now under the leadership of the new Director, Dr Moumine Traoré. In this regard, let me also mention that in West Africa a substantive part of the technical work of the RTC also

benefitted from the contributions of SOFITEX in Burkina Faso.

The same model of linking a technical quality assessment institution with a cotton institution occurred in the case of RTC East, where an effective co-operation between the Tanzania Bureau of Standards (TBS) and the Tanzania Cotton Board (TBC) was set-up. Key persons involved were in TBS Mr Dominique Mwakangale and in the TCB initially Dr Joe Kabissa, the Director General, and now Mr Marco Mtunga who succeeded Dr Kabissa as DG. I wish to thank all of them for their tremendous contribution to the success of this project.

At this stage I should certainly not forget to mention the important role played by the International Cotton Advisory Committee (ICAC) as Supervisory Body for this project. I think that most people in this room are aware of the crucial role played by the Executive Director of ICAC, Dr Terry Townsend, in providing guidance to the main actors in the project to keep the project technically and institutionally on the right track. He showed commitment to ensure that the project has developed a sound commercial, sustainable basis which will enable the continuation of the chosen **regional** approach to comply with the RTC's mandates to service cotton organizations in most African cotton producing countries.

Let me also highlight that I am very pleased that the Fund was able to work together with the European Union who has

substantially facilitated the funding of the project through its “All ACP Agricultural Commodities Programme”. While saying that, I should also acknowledge the substantive counterpart contributions provided by the project partners at the national level in Mali, Burkina Faso and Tanzania and by the various international cotton sector stakeholders who have all made necessary technical and financial resources available which were required to implement the project.

While this seminar comes at the end of the project, it should also be considered as the starting point of the **stand-alone** continuation and expansion of the services that the RTC’s can provide, both as independent service providers in a regional context as well as providing substantial contributions to the international quality assurance network in which the ICAC Task Force on Commercial Standardization of Instrument Testing of Cotton is playing the lead role. While this seminar will thus be partly backward looking by explaining what has been done, by whom and where, an equally important element in our deliberations should be on what comes next: how will the RTC’s operate from now on? I may add here that ensuring the continued operations of the two RTC’s beyond the project’s lifetime has been the core focus and priority of CFC during the past two years.

In this respect, I wish to recall what I had stated at the opening ceremonies of the RTC East which I was able to attend

in April 2010, and what I stated there also applies to the RTC West. I mentioned at that time that major achievements with regard to establishing the physical infrastructure and developing the human capabilities in the field of instrument testing of cotton had been undertaken by the project. But, I also highlighted the fact that the **most important** stage of the project was only just beginning, namely to ensure that the RTC would start to establish itself in operational terms. In that meeting, consultations would be held to shape the institutional structure of the RTC which would be a key determining factor for the successful operation of the Centre. I highlighted that the Centre would have to start operating as a commercial entity, ensuring that sufficient services can be provided to obtain adequate incomes through (for example) service fees to maintain the Centre's functional operations. This would require a clear and agreed-upon schedule of services and their costing to ensure that (as I put it at that time) in, say, one year from now, income is sufficient to cover the Centre's operational and investment costs.

I have noted from the reports available that we have not yet reached that stage where the Centres have proven their capabilities to operate as cost effective service providers covering their operational costs from the service fees or membership contributions. I trust that during the current seminar, and possibly in the weeks to come before the formal end of the project by end March of this year, final planning and

consultations can be concluded to ensure the sustainable continuation of the institutions and capabilities established by the project.

It is therefore my hope and expectation that the joint interest and focused co-operation of the regional stakeholders in both East Africa as well as in West Africa will result in workable institutional arrangements whereby on the one hand, the RTC's can and will deliver services important for the stakeholders at national level and, on the other hand, that the stakeholders are willing to call and rely on those commercially based services. It is up to the management of the RTC's to now establish sound co-operative arrangements which will enable them to secure sufficient incomes to maintain and expand the operational performance of the Centres.

It is my wish that when, in maybe one or two year's time, a joint ex-post evaluation of the current project is being undertaken, the outcomes will show two operating, commercially viable centres, providing services as requested by their regional stakeholders. Ultimately, of course this should result in a gradual improvement of the reputation of African cotton. This reputation will be based on reliable and market-accepted quality parameters as measured by properly functioning instruments operating in accordance with internationally accepted test rules and procedures. Once that is established, it will be up to the cotton companies to use their

trading and marketing skills to secure better prices for African cotton.

Mr. [Signature]

In concluding my brief remarks, ladies and gentlemen, let me wish you a very ^{productive} ~~informative~~ two days of information sharing. I do hope that the presentations will lead to lively exchanges between the presenters and all present here, each with your own wealth of cotton expertise and experience.

I thank you for your kind attention.