

Intervention:	Promotion of the Cotton Sector
Country:	Egypt
Date:	07/1995 – 12/2004
Challenge:	Decrease in cotton production and cotton exports
Approach of the Intervention:	<ul style="list-style-type: none"> <input type="checkbox"/> The project has provided decision makers with solid economic, technical and agro-political analysis and improved information <input type="checkbox"/> Infrastructure and frame conditions necessary for a liberalization and privatization of plant protection have been established (free market prices and free external trade) <input type="checkbox"/> Integrated crop production and integrated pest management were introduced into the cotton production through participative extension services, and disseminated through learning groups for farmers <input type="checkbox"/> communication and cooperation of all involved stakeholders in the cotton sector has been facilitated and institutionalized, which established horizontal as also vertical integration <input type="checkbox"/> political “change agents” were identified and, during the liberalization process, systematically provided with information from other countries <input type="checkbox"/> Expertise and training was provided to local partner organisations, local experts were trained on the job <input type="checkbox"/> Strategies have been actively coordinated with other donors involved in the cotton sector (e.g. USAID, EU)
Achieved Impacts:	<p>Impacts that can be directly related to the project:</p> <ul style="list-style-type: none"> <input type="checkbox"/> until end of 2003 ~ 17.000 farmer-learning-groups with overall 240.000 participating farmers were established (end of 2004 there have also been 250 groups of female farmers with overall 1.800 members) <input type="checkbox"/> Mainly because of savings in plant protection and higher yields, the profit margin of cotton from farmers of these groups compared to non-organized farmers was higher by 70% (2000) and 20% (2002) <input type="checkbox"/> The share of private industries in the cotton sector has increased; between 1999 and 2003 the share of private exports increased from 17% to 44% <input type="checkbox"/> Cotton exports increased from an average in the years 94/95 to 96/97 of 44.000 tons/year to an average of 118.000 tons/year (2001-2003) <input type="checkbox"/> The share of cotton (extra long fibres) from Egypt on the world market has increased from 29% in 97/98 to 50% in 2003. The export revenue increased from 30 mill. (95/96) to 340 mill. (02/03). <input type="checkbox"/> Liberalization of the cotton market and therewith related abolition of guaranteed prices for farmers has led to savings of estimated 180 Million € for the Egyptian government <p>Indirect impacts:</p> <ul style="list-style-type: none"> <input type="checkbox"/> The income of cotton producers has increased, mainly because of savings in plant protection and higher yields. The increase has been between 200 € (year 2000) and 60 € in the year 2002 <input type="checkbox"/> Contamination of soils and water with pesticides has been considerably reduced by the introduction of integrated pest management <input type="checkbox"/> Accidents and health risks at stocking, trade and application of pesticides has been reduced <input type="checkbox"/> Significant savings in the national budget has been achieved by the reduction of subsidies and the still ongoing privatization of governmental functions in cotton and textile sector

	<ul style="list-style-type: none"> <input type="checkbox"/> Considerable foreign exchange earnings result from the higher amount of exported cotton with higher quality <input type="checkbox"/> The increasing efficiency in cotton production and processing has resulted in increased added value and contributes to economic growth
Lessons learned:	<p>Key factors for the success of the project are:</p> <ul style="list-style-type: none"> <input type="checkbox"/> a comprehensive approach that elaborated and implemented socio-economic strategies for all sub-sectors in cotton production <input type="checkbox"/> the project has cooperated with other donors/projects in the cotton sector, and e.g. conducted and published sectoral studies with recommendations concerning agricultural policies. This has increased the possibilities of positively influencing the economic frame conditions (liberalisation and privatization) <input type="checkbox"/> the long-term experts were not organized in a project structure but embedded in various administrative units (pest management, extension services, agro-economic department) of the ministry for agriculture <input type="checkbox"/> the project managed to act as a neutral mediator between the stakeholders, and did not support single interests. The project initiated and supported cooperation between the different interest groups by organizing workshops and conferences, discussing the problems transparently, and developing goals and strategies jointly. <input type="checkbox"/> Cooperation was not only sought with the ministry, but also the private sector and the ministry of foreign trade <input type="checkbox"/> The extension service in the regions where cotton is cultivated have been included in the project from the beginning. By doing so, the creation of parallel structures was avoided
Wider application:	<input type="checkbox"/>
Implementing agency & partners:	GTZ, Ministry for Agriculture, Ministry for Foreign Trade, Ministry for Industry, Ministry for State-Owned Enterprises
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