



United Nations  
Economic Commission for Africa

Sub-Regional Office for Central Africa

**CREATING A MADE IN CENTRAL AFRICA LABEL**

Project proposal

Oct 2019

## I. PROJECT TITLE

**MADE IN CENTRAL AFRICA LABEL project**

## II. IMPLEMENTING ENTITIES AND PARTNERS

The implementing entities of this project, who will also be co-authors of the label, and who are to constitute the “Made in Central Africa Label Committee” are: The Commission of the Central African Economic and Monetary Community (CEMAC), the General Secretariat of the Economic Community of Central African States (ECCAS) and the Subregional Office for Central Africa of the UN Economic Commission for Africa (ECA). The Union of Employers’ Associations of Central Africa (UNIPACE) will be a privileged partner.

Partnership will also be open to: 1) standards and norms bodies of all Central African countries, and, 2) enterprise upgrading institutions of Central African countries where they exist.

Representatives of **all national approval committees** for the on the procedures for accrediting industrial products into the ECCAS-CEMAC Harmonized Preferential Tariff regime, under the banner of the ECCAS general Secretariat and the CEMAC Commission, would be associated with the processes of creation and issuance of the label.

## III. BACKGROUND AND JUSTIFICATION

The *Douala Consensus*, a clarion call for the rapid **resource-based** and **trade-induced** diversification and industrialization of economies of countries across Central Africa was reached at by governmental and non-governmental stakeholders during the 33<sup>rd</sup> session of ECA’s Intergovernmental Committee of Experts (ICE) for the subregion, in September 2017. The Consensus is steadily becoming a widely recognised framework for the structural transformation of the subregion, given its clear argument that only a veritable theory of change for a *Made in Central Africa* economy, moving **from a vicious circle** of dependency on raw materials **to a virtuous circle** of value addition, can orchestrate sustainable development in the subregion.

In its Central Africa subregional Structural Transformation, Employment, Production and Society (STEPS) Profile for 2019 (still to be published), ECA’s Subregional Office for Central Africa portrays the grim scenario of manufacturing and value addition in Central Africa (the ECCAS subregion) whose overall composition of exports in 2015 consisted of a paltry 1.7% of finished products as against a staggering 89.8% of raw materials. Besides this worryingly low level of vertical diversification (in terms of value added on exports), all but 3 (Burundi, Cameroon and Rwanda) of the ECCAS member-States depend on just 2 export products for more than 50% of their exports.

This is why Douala Consensus principally called for Governments and the private sector to speed up the diversification, especially through industrialization, of the economies of Central Africa that have suffered debilitating external shocks due to the fall of commodity prices on the world market. The Consensus noted the importance of prioritizing industrial policy in national development visions and strategies, while ensuring consistency with the rest of macroeconomic and sectorial policies, notably **trade** and urbanization policies.

The horizontal diversification of economies of Central Africa implies the multiplication of areas of economic production, for instance – away from only oil and mineral exploitation (as is the case of some countries), to other areas such as modern agribusiness and the knowledge economy and a wide array of products and services of the digital economy. Meanwhile, the vertical diversification of the economies of Central Africa would entail enhancing productive capabilities within a given sector and developing the full value chain of the sector to the extent that a timber-producing nation such as Gabon does not only focus on the ‘first transformation’ of logs (sawing and planning), but moves sequentially into the ‘second transformation’ (the production of high-quality plywood) and into the ‘third transformation’ (the production of quality doors, furniture and flooring pieces etc.) – to generate more employment, reduce the exposure to commodity price fluctuations, explore better terms of trade and generate more revenue for such an economy.

The premise of the initiation of a Made in Central Africa label is that as a marker for recognised quality products, it would stimulate healthy competition in industrial production and quality subregional and subsequently intra-African trade, within the context of the African Continental Free Trade Area (AfCFTA). Most Central African countries are in the fifth quintile of the UNIDO Competitive Industrial Performance Index (2018)<sup>1</sup> which rates 150 countries based on their capacity to produce and export manufactured goods, the extent of their technological deepening and upgrading and their weighted impact on overall global manufacturing. As the UNIDO report notes, “Competitive industries drive the process of structural transformation” and “there is no real competitiveness without international trade.” The report posits that proximity to competitive countries increases the likelihood of high levels of domestic competitiveness, because it is easier to trade with countries that are nearby. This Label should be a stimulating factor for such healthy competition even as negotiators of the AfCFTA processes work on phase II of the core operational AfCFTA protocols which include instruments for investment, competition and intellectual property rights.

Positivist literature on the direct impact of “Made in” national or regional trade labels are sparse due to the long-term nature of such discursive campaigns but it is easy to appreciate benefits by scrutinising the wider context in which they are located, often times, in national or regional development plans and visions. This is the case of the Proudly South African brand introduced in 2001 as a buy-local campaign to promote public sector, private sector and consumer procurement of locally sourced goods and services in order to boost growth by 5% and create 11 million more jobs as envisioned in the country’s 2030 development plan.

Proudly South African CEO Eustace Mashimbye recounts in the Board’s 2018/2019 Annual Report<sup>2</sup> that there is a rebound of the clothing, textile, leather and footwear manufacturing sector in the country thanks efforts in the Proudly South African campaign which supports the country’s 2030 development plan:

“Once considered a sunset industry, having shed over 120 000 employees in recent years, the sector is now fighting back and thanks to the introduction of government incentives and competitive raising measures, it now contributes 8% to our manufacturing GDP and 2.9% to our overall GDP.”

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<sup>1</sup> [https://www.unido.org/sites/default/files/files/2019-05/CIP\\_Report\\_2019.pdf](https://www.unido.org/sites/default/files/files/2019-05/CIP_Report_2019.pdf)

<sup>2</sup> [https://www.proudlysa.co.za/pdf\\_documents/PSA\\_Annual-Report-2018-2019.pdf](https://www.proudlysa.co.za/pdf_documents/PSA_Annual-Report-2018-2019.pdf)

Though the Government of Rwanda only introduced its Made in Rwanda label in 2015, the country's Minister of Trade and Industry reported in October 2018 that the campaign improved total export receipts from US\$559 million in 2015 to US\$944 million in 2017 (a 36.5 percentage point increase) while noting that total imports decreased by 4% during the same period (from US\$1.849 billion to 1.772 billion).<sup>3</sup> Abdi Latif Dahi of Quartz Africa has even claimed that "Made in Rwanda" label "is breathing life into Kigali's fashion scene."<sup>4</sup>

In Europe, analysts hold that the Made in EU project, which gained traction during the European Industry Day of 28 February 2017, would boost competitiveness because it would assure consumers of the quality coming out of Europe, given the continent's control mechanisms<sup>5</sup> as well as its support for good working standards for those employed in the production units (though this last point is being contested).<sup>6</sup>

From the foregoing, it is argued here that Central Africa can carve a good niche for its industrial productivity through a Made in Central Africa Label couched within acceptable standards and norms within its own context.

For now, and in line with the already existing AfCFTA protocols on trade in goods and services, ECA's Subregional Office for Central Africa, with the support of the European Union, is accompanying the CEMAC Commission and the ECCAS Secretariat to harmonize trade instruments within the subregion and clarify rules of origin in order to operationalize a new ECCAS-CEMAC Preferential Tariff regime and implement a Common External Tariff (CET) and better prepare the subregion for a fruitful participation in the continental common market.

To pass the test of a *Made-in-Central Africa product*, the established rules say the product must meet one of the following criteria:

1. Be wholly sourced from the subregion (this concerns products in their raw state from of the flora and fauna of the subregion as well as handicraft)
2. Be manufactured products with a minimum incorporation percentage of 40% of the raw materials originating from the Member States of the region
3. Be products manufactured with raw and consumable materials wholly or partly of foreign origin but with at least 30 per cent value added on the spot before tax

Once an enterprise ascertains that its product meets one of these criteria, it goes ahead to apply for

1. The product's acceptance in the preferential tariff regime via each country's national preferential tariff accreditation Committee; and
2. The award of a certificate of origin

A unique *Made in Central Africa* label, can therefore act as an **optional** materialisation of the origin and proud belonging of such products, to the subregion. The *Proudly South African* label (<http://www.proudlysa.co.za/>) and *Made in Rwanda* Logo (<http://www.rsb.gov.rw/index.php?id=187>) are examples.

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<sup>3</sup> [http://www.xinhuanet.com/english/2018-10/26/c\\_137558563.htm](http://www.xinhuanet.com/english/2018-10/26/c_137558563.htm)

<sup>4</sup> <https://qz.com/africa/1624510/the-made-in-rwanda-policy-is-boosting-kigalis-fashion-sector/>

<sup>5</sup> <https://horizon-magazine.eu/article/made-europe-label-could-help-eu-competitiveness.html>

<sup>6</sup> <https://fashionunited.uk/news/business/made-in-europe-label-linked-to-european-sweatshops/2017110926692>

#### **IV. Highlighted planned result**

1. Made in Central Africa Label is established and lodged with ECCAS General Secretariat
2. Union of national industrial employers' unions in Central Africa adhere to the label
3. National committees for the accreditation of ECCAS/CEMAC certificate of origins understand and promote use of the Label
4. Producers of goods and services with certificate of origin stamp the Label on their products
5. Mass dissemination of the Label idea

#### **V. Objectives of creating a Made in Central Africa Label**

1. To proudly identify quality products coming out of Central Africa and create an popular imprint/legend on the minds of consumers
2. To incentivize entrepreneurs and industrialists to go an extra mile towards value-addition and quality assurance
3. To reassure consumers, especially those of the subregion, of the originality of what they are consuming and encourage them to 'buy sub-regional'
4. To showcase Central Africa's resolve to pursue trade-induced vertical and horizontal diversification
5. To ultimately boost intra-subregional and intra-African trade

#### **VI. Outcomes of the Label project**

1. Innovation, competitiveness and value-addition boosted in Central Africa
2. Intraregional trade in Central Africa, hence and intra-African trade in the context of the AfCFTA increased

#### **VII. Indicators of achievement**

1. Answers to preliminary project questions answered from study trips and consultations with stakeholders
2. Made in Central Africa Label committee constituted
3. www.madeincentralafrica.africa domain name acquired
4. Made in Central Africa Label authors' rights certificate acquired
5. Made in Central Africa Logo and brand rules produced
6. First consignment of the Made in Central Label stickers are printed
7. Made in Central Africa Label and website are launched
8. At least 50 producers use the label within first years of its launch
9. At least 25 media stories/appearances are documented within 3 months of the launch of the Label

#### **VIII. Outputs**

1. Study trip to Rwanda (Rwanda Standards Board in Charge of the Made in Rwanda Label)

2. Study trip to South Africa (Proudly South African Board)
3. Consultation with UNIPACE (Union of industrial employers' bodies in Central Africa)
4. Recruitment of national Project Management consultant to man the project files
5. Enlarged Consultation with national relevant stakeholders on the Made in Central Africa label in Douala, Cameroon (rules of origin accreditation committees, standards and norms bodies, industrial employers' bodies, chambers of commerce and industry)
6. Constitution of Made in Central Africa Label Committee
7. Purchase of www.madeincentralafrica.africa TL domain name
8. Procurement calls for legal firm to constitute legal terms of use of the label and acquisition of authors' rights certificate from OAPI
9. Acquisition of authors' rights certificate from OAPI
10. Launch of Bids for Made in Central Africa label design and branding rules
11. Selection of winning label design/branding rules entry
12. Launch of bid for the building of a Made in Central Africa website
13. Selection of winning web site builder and creation of site
14. Production of first set of one hundred thousand (100,000) label Stickers
15. Ceremony to present the label and website at ECCAS h/q in Libreville, Gabon
16. Publication of watermarked versions of the label on its dedicated site with calls for co-sponsors' (Ministries of Commerce and Customs as well as all administrations involved in the control of goods along the corridors of the sub-region) to publish it on their own websites
17. Call for applications to use the Label
18. Selection and attribution of rights to use the label ( on a quarterly, ongoing basis)

### **IX. Proposed attributes of the label (some or all of these could be reflected on the label depending on design principles)**

1. At outline of an African map
2. Central Africa circled on the map
3. Central Africa dotted green (agriculture and green industry), silver blue (cobalt), brown (Sahel and sun), blue (aquatic resources)
4. An icon symbolizing manufacturing
5. A stamped (cachet) type mark of: **MADE IN CENTRAL AFRICA**
6. A registered mark sign, i.e. ®

### **X. Proposed format of the label**

1. The designed label should be presented in digital colour palette,
2. The designed label will be delivered in: Vector, PSD, PNG, JPEG, TIFF, GIF and PDF formats
3. Meanwhile branding guidelines for the label should be presented in a virtual document not less than 4 A4 pages

## **XI. Access to and Usage of the label**

1. Minimum cost per 1000 stickers for qualified producers with certificates of origin (Central Africa) of their products (obtainable from ECCAS General Secretariat), which each label user paying for drop-shipping from Libreville Gabon or simply proceeding with physical collection
2. At a later stage, the label may become downloadable from ECCAS, CEMAC, ECA websites (as well as websites of trade ministries of the subregion)

## **XII. CONTACTS**

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