

Cotton made in Africa

Aggregated Verification Report

2013

April 2014

1. Background, Facts & Figures

Handover of Verification Management to AbTF

At the end of year 2012, Verification Management has been handed over to the Aid by Trade Foundation after having been conducted by PricewaterhouseCoopers.

Cooperation with Verifier Organizations in Southern and Western Africa

In order to smoothly organize a growing number of verifications with an equally increasing number of partners in Africa, AbTF has chosen to conclude framework contracts with the two independent verifier organizations that have gained most experience in verifications according to Cotton made in Africa standard. Africert, based in Kenya, will be responsible for CmiA verifications in Southern and Eastern Africa, whereas Ecocert, based in Burkina Faso, will be conducting CmiA verifications in Western Africa.

Training of verifiers

In August 2013, one additional lead verifier and one additional assistant verifier of Africert were trained in an on-site coaching during the field verification of an anglophone Managing Entity in Western Africa. This training was necessary to enable the audit company to have two teams of verifiers available in order to manage the growing number of CmiA verifications.

Amendment of the CmiA Criteria Matrix

In the course of the 7th CmiA Stakeholder Meeting which took place in Arusha, Tanzania in October 2013, the CmiA Criteria Matrix was amended with the new Criteria Matrix version 3 coming into force starting January 2014. All verifications that took place during the year 2013 were conducted based on Criteria Matrix version 2.

Verification activities in 2013

Regular verifications of the ginnery operations took place in July/August respective November 2013 (six Managing Entities in Southern and Eastern Africa).

There were no significant limitations to the verifications nor have there been significant issues and findings. Recommendations made during previous verifications have largely been taken into account and all parties verified were able to adhere to the verification requirements. Also initial verifications (two Managing Entities) have shown no particular limitations.

The following table gives an overview of relevant ginnery figures for all CmiA Managing Entities:

Region	# Ginneries
<i>Western Africa</i>	7
<i>Southern and Eastern Africa</i>	14
Total	21

Regular verifications on field level took place for a total of six Managing Entities: from March through May 2013 in Southern and Eastern Africa and from August through October 2013 in Western Africa.

There were no significant limitations to the verifications, and verification processes were implemented as planned. The verifications in Zambia and Zimbabwe were additionally used as a pilot – with positive results – to find out whether data on pesticides used in the Managing Entities were easily available. From 2014 on, under the new Criteria Matrix version 3, all Managing Entities are required to hand in data regarding pesticides and other inputs used with their Self-Assessments. Those data are needed to better monitor pesticide use in the Managing Entities and to calculate the “toxic load” and “carbon footprint” of cotton produced under CmiA.

There was a possible non-compliance found with exclusion criterion no. 7 and 8. Details of mitigation measures are explained further below.

Two new cotton companies joined CmiA in 2013 – two more successfully passed initial field verifications

In 2013, two additional cotton companies in Southern Africa (one in Zambia, one in Zimbabwe), joined CmiA after successful field and gin verifications. Two additional cotton companies in Western Africa (one in Ghana, one in Côte d’Ivoire) also successfully

passed CmiA field verifications and will be entitled to sell CmiA cotton after successful gin verifications in the first months of 2014.

Aggregated ratings of all field and ginnery verifications carried out so far are presented at the end of this report. The following sections give a more detailed overview of focal points and actions planned.

2. Aggregated Update on Sustainability Criteria for Gineries

Overall, improvements have been noted during ginnery verifications in 2013.

Most green ratings can be found concerning criterion 3 (wages comply with national legislation) and criterion 5 (freedom of association): For each of those criteria, 8 out of a total of 9 verified Managing Entities achieved green ratings. Two Managing Entities have in fact been able to improve their rating from yellow to green concerning criterion 3, and one has been able to improve to green in criterion 5.

Even more improvements have been noted with regard to criterion 1 (labour contracts in gineries), in which three Managing Entities have improved from yellow to green rating. Almost all Managing Entities now provide written contracts to all workers – both permanent and seasonal. In total, 6 out of 9 Managing Entities now achieve green ratings.

The criterion that seems the most difficult to improve is ginnery criterion 4 (working health and safety). Only one Managing Entity is rated green, whereas all the others are rated yellow; and only one Managing Entity has been able to improve (from red to yellow rating). The main issues are the insufficient use of Personal Protective Equipment (PPE) as well as unguarded parts at the ginnery that might cause injuries.

3. Aggregated Update on Farm level Sustainability Criteria

In general, progress regarding the compliance with farm level sustainability criteria has been noted since the last regular verifications. In 16 cases, Managing Entities have been able to improve the rating of a criterion from yellow to green, and in 3 cases, “red” ratings have been improved towards “yellow”.

In general, a big progress can be noted regarding training measures in general (criterion 5); three cotton companies have improved from yellow to green), as well as the provision of written contracts to the farmers (criterion 2a) and soil and water conservation (criterion 3a); for each of the latter criteria, two cotton companies have improved from yellow to green).

For five criteria, a large majority of Managing Entities already fulfils the criterion at a green level. This is the case for critterion 4a (Pesticide Management – 8 green ratings out of 10 Managing Entities); and for criteria 6a, 6b, 6c and 6d (Transparency of input and cotton seed prices for farmers; Transparency of grading system; Maximizing fibre and lint quality – each 7 or 8 “green” ratings). As to criterion 6d, the timely payment of cotton to farmers, even 100% of Managing Entities (10 out of 10) already have applied a sustainable practice and ensure that farmers are paid within 30 days of cotton delivery.

This shows that especially in regard to fair conditions and good relations with the contracted farmers, the cotton companies score high.

Other criteria that seem far more difficult to improve are the ones concerning the handling of pesticides and threshold spraying (critterion 4b, 4c, 4d and 4e with between 6 and 9 yellow ratings out of 10 verified companies).

The principles of safe handling and storage of pesticides as well as of safe disposal of empty pesticide containers are usually trained and there was evidence of progress at farm level. However, there is still evidence among many countries that in practice, empty containers are not always disposed adequately. Also, trainings in safe spraying techniques and how to use personal protective equipment (PPE), are done. However, field evidence demonstrated that in many cases, farmers do not follow the advice given by Managing Entities concerning protection, and PPE given out or sold by the Managing Entities are not always used.

Concerning threshold spraying, one Managing Entity has been able to score a “green” rating, but for most Managing Entities there is still a long way to go until adoption rates of trainings and techniques like the use of pegboards are high enough. Although trainings are going on integrating the concept of threshold spraying, the method of calendar spraying is still a very widely practiced technique.

Also on critterion 3b concerning crop rotation, a majority of cotton companies score yellow ratings (8 out of 10 companies). There was evidence that training on crop rotation is given and farmers rotate different crops. However, in many cases, crop rotation only takes place between two crops, and in some countries, there was also evidence found that the same plots are used for the same crop again. Some Managing Entities have started providing farmers also with seeds for other crops including legumes. Planting of acacia trees (legumes) on the cotton plots is being piloted within some Managing Entities.

Aggregated Update on Exclusion Criteria

Exclusion Criterion 8 – Use of Banned Pesticides

During one field verification, verifiers found a possible non-compliance with exclusion criterion no. 8 (use of banned pesticides) with regard to an active ingredient classified as WHO 1b (“highly hazardous”). Those active ingredients are banned under CmiA since the beginning of 2013. In close cooperation between AbTF, the verifiers and the Managing Entity, the following process of mitigation of this non-compliance has been identified: After transparent disclosure of remaining stocks of the questioned product and a written confirmation by the Managing Entity that no additional volumes of this product will be bought, AbTF exceptionally permits the Managing Entity to use up the existing stocks during the cultivation season 2013/2014. A follow-up third party verification will closely scrutinize this process in 2014.

The use of another active ingredient (Betacyfluthrine) requires a policy decision on the side of AbTF: in fact, the active ingredient is classified as WHO 1b (non-compliant), but the final product as WHO 2 (compliant). For the time being, the use of products with this active ingredient are being considered as compliant with CmiA standard, but the discussion process that has started will be opened up to all AbTF stakeholders in 2014 to reach a final decision whether CmiA will or will not exclude all products using non-compliant active ingredients.

Exclusion Criterion 7 – Protected Areas

In two cases, verifiers found a possible non-compliance with exclusion criterion no. 7 (cultivation of cotton in protected areas). Both cases could be mitigated through a clear communication and a commitment of the Managing Entities not to engage with farmers in those areas. In general, those cases have shown a need for close monitoring of farmers in areas close to game parks and protected areas, as in fact, due to growing population pressure, there is a constant conflict between nature preservation and land cultivation.

4. Verification cycle

Verifications under Standard of the Aid by Trade Foundation, 2009 - 2015													
No	Country	2013				2014				2015			
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
1	Côte d'Ivoire Unit 1								F				
2	Côte d'Ivoire Unit 2												
3	Malawi												
4	Zambia Unit 1												
5	Zambia Unit 2												
6	Zambia Unit 3												
7	Mozambique												
8	Zimbabwe Unit 1		F										
9	Zimbabwe Unit 2												
10	Ghana Unit 1												
12	Ghana Unit 2												
13	Cameroon												
14	Tanzania												
15	Uganda												

Planned

Legend

- Field Verification
- Gin Verification
- Follow-Up Verification (F= Field, G= Ginnery)

5. Priority for Improvements during the coming year

- **Child labour** and what measures can be taken to prevent it will be a focus area of AbTF work in 2014. In fact, work has started with Managing Entities to develop training material regarding child labour. It will be of special importance to distinguish between unacceptable, hazardous practices of child labour and those tasks children are allowed to do in order to help their parents on the family smallholdings, provided that the children are still able to go to school.
- **Pesticide Management** is another main focus during 2014. AbTF has started a pilot project to calculate the “toxic load” of pesticides used in CmiA cotton cultivation. A “black list” of pesticides not to be used will be established for more transparency and better guidance.

- Both issues will be targeted at the 8th Stakeholder Meeting in September 2014.

Progress on Farm Level Sustainability Criteria 2009 - 2013

Farm Level Criteria		Unit 1			Unit 2			Unit 3			Unit 4		Unit 5		Unit 6	Unit 7	Unit 8	Unit 9	Unit 10
		2009/ 2010	2011/ 2012	2013 / 2014	2009/ 2010	2011/ 2012	2013/ 2014	2009 / 2010	2011 / 2012	2013 / 2014	2011 / 2012	2013 / 2014	2011 / 2012	2013 / 2014	2013 / 2014	2011 / 2012	2013 / 2014	2013 / 2014	2013 / 2014
1	Social Welfare Programms	●	●		●	●		●	●	●	●	●	●		●	●	●	●	●
2a	Freedom of bargaining and written contracts	●	●		●	●		●	●	●	●	●	●		●	●	●	●	●
2b	Equal rights regarding gender	N/A	●		N/A	●		N/A	N/A	●	N/A	●	●		●	●	●	●	●
3a	Soil and water conservation and water run-off management	●	●		●	●		●	●	●	●	●	●		●	●	●	●	●
3b	Crop rotation	●	●		●	●		●	●	●	●	●	●		●	●	●	●	●
4a	Approved and correct labeled pesticides (Criteria Matrix Verison 1) / Pesticide Management (Criteria Matrix Version 2)	●	●		●	●		●	●	●	●	●	●		●	●	●	●	●
4b	Storage and transport of pesticides	●	●		●	●		●	●	●	●	●	●		●	●	●	●	●

4c	Spraying of pesticides and health protection	●	●		●	●		●	●	●	●	●		●	●	●	●	●
4d	Disposal of empty plant protection chemical containers	●	●		●	●		●	●	●	●	●		●	●	●	●	●
4e	Runoff or leaching of plant protection chemicals into streams or ground water	●	N/A		●	N/A		N/A	●	N/A	N/A		●	N/A	N/A	N/A	N/A	
4e (/4f)	Improved Pest Management / pest thresholds	●	●		●	●		●	●	●	●	●		●	●	●	●	
5	Training to improve farmer's skills and capacities	●	●		●	●		●	●	●	●	●		●	●	●	●	
6a	Transparency of input and cotton seed prices for farmers	●	●		●	●		●	●	●	●	●		●	●	●	●	
6b	A transparent system to grade seed cotton is in place	●	●		●	●		●	●	●	●	●		●	●	●	●	
6c	Maximising fibre and lint quality	●	●		●	●		●	●	●	●	●		●	●	●	●	
6d	Payment of cotton to farmers	●	●		●	●		●	●	●	●	●		●	●	●	●	

Progress on Ginnery Sustainability Criteria 2009 - 2013

Ginnery Criteria	Unit 1			Unit 2			Unit 3			Unit 4		Unit 5		Unit 6	Unit 7	Unit 8	Unit 9	Unit 10	
	2009 / 2010	2011 / 2012	2013 / 2014	2009 / 2010	2011 / 2012	2013 / 2014	2009 / 2010	2011 / 2012	2013 / 2014	2011 / 2012	2013 / 2014	2011 / 2012	2013 / 2014	2013 / 2014	2011 / 2012	2013 / 2014	2013 / 2014	2013 / 2014	
1 Labour contracts in ginneries	●	●	●	●	●	●	●	●		●	●	●	●	●	●	●	●	●	
2 Working hours in ginneries are regulated and overtime work (includes shift and night allowances) is remunerated	●	●	●	●	●	●	●	●		●	●	●	●	●	●	●	●	●	
3 Wages in ginneries comply with national law or sector agreements	●	●	●	●	●	●	●	●		●	●	●	●	●	●	●	●	●	
4 Employer assures proper occupational health and safety conditions in gins including and not limited to dust and noise reduction measures and PPE for dust protection and noise reduction	●	●	●	●	●	●	●	●		●	●	●	●	●	●	●	●	●	
5 Freedom of association and bargaining for employees in ginneries	●	●	●	●	●	●	●	●		●	●	●	●	●	●	●	●	●	
6 Environmental management plan	●	●	●	●	●	●	●	●		●	●	●	●	●	●	●	●	●	