

# Cotton made in Africa

## Aggregated Verification Report

June 2011

### 1. Background, facts & figures

During the first round of 3<sup>rd</sup> party verifications at the field level, risks of noncompliance were identified in two CmiA units in relation to exclusion criterion no. 1 (child labour) and exclusion criterion no. 3 (bonded or forced labour). In November 2010 and March 2011, follow-up verifications took place to investigate measures undertaken by those Managing Entities under scrutiny to eliminate the identified risks and ensure future compliance.

The verifiers concluded that all Managing Entities under scrutiny had implemented efficient and effective measures to mitigate the risks of noncompliance. As a result, all Managing Entities successfully passed the first round of 3<sup>rd</sup> party verifications at the ginnery and field levels.

Upon completion of the first round of 3<sup>rd</sup> party verifications, the average verification cost per farmer was calculated. Given a CmiA farmer base of about 200,000, the average cost per farmer per external verification amounted to roughly € 0.50, € 0.25 annually.

In January 2011, the second round of 3<sup>rd</sup> party verifications started with scrutiny of ginnery operations in Benin and Burkina Faso. The verification of ginneries in Côte d'Ivoire was planned but had to be postponed due to political unrest in the country. 3<sup>rd</sup> party verifications of ginneries in Malawi, Zambia and Mozambique are scheduled for the ginning season in summer 2011.

Regarding the already completed ginnery verifications, all the parties verified adhered to the CmiA verification requirements. The Managing Entities have been actively working on improvements according to CmiA verification criteria.

The following table is an overview of relevant ginnery figures:

Region	# Ginneries	Lint (mt)
<i>Western Africa 2011*</i>	4	11,554
<i>Southern Africa 2009</i>	5	14,410

\* Excluding Côte d'Ivoire due to the political situation

The second round of 3<sup>rd</sup> party verifications at the field level is scheduled for the last quarter of 2011 in Western Africa and the first quarter of 2012 in Southern Africa.

Following the 4<sup>th</sup> AbTF Stakeholder Workshop in Berlin/Germany in September 2010, two additional cotton companies based in Southern Africa joined CmiA. After the initial self-assessment the 3<sup>rd</sup> party verification of one unit took place in March 2011. The verifiers concluded that the Managing Entity complies with CmiA requirements. The initial 3<sup>rd</sup> party verification of the second Managing Entity is scheduled for the first quarter of 2012.

## 2. Aggregated update on Sustainability Criteria for ginneries

This section refers to the ginneries in Western Africa that have already undergone re-verification.

Dust:

During the first round of 3rd party verifications, it was found that workers in ginneries occasionally experience allergic reactions, chest pains and coughing due to exposure to dust. To solve these problems, an independent consultant was contracted to assess dust levels in ginneries, rate them qualitatively compared to U.S. installations and evaluate possible impact on employee health based on U.S. experience. For those ginneries already re-verified the consultant provided (i) recommendations for possible improvement, taking into consideration the efficiency and the economic feasibility of the proposals and (ii) recommendations for the use of Personal Protective Equipment, including management policies and incentives to ensure compliance.

- Managing Entities whose ginneries were re-verified received the consultant's final report and are currently considering the recommended investments and measures.
- The implications of the consulting mission will be discussed during the 5<sup>th</sup> CmiA stakeholder meeting in autumn 2011.

Working hours:

Although highlighted during the first round of 3rd party ginnery verifications, during re-verifications it was still observed that rest days as prescribed by local legislation are not always taken and seasonal workers in particular sometimes work seven days a

week during ginning season.<sup>1</sup> Affected Managing Entities acknowledged this problem and have been trying to resolve it since the initial 3rd party ginnery verification. They argue that labour shortages are the major reason for overtime.

- This question will be further discussed at the 5<sup>th</sup> CmiA stakeholder meeting in autumn 2011.

### **3. Aggregated update on Farm Level Sustainability Criteria**

This section refers to the results of the initial verification of one of the two Managing Entities that recently joined CmiA.

Storage and transport of pesticides:

Field evidence demonstrated that the storage of chemicals at a district level was partially inadequate due to a lack of ventilation. The Managing Entity was advised to look for alternative storage areas to minimize the danger posed to workers in those offices.

Field evidence also demonstrated that not all farmers were aware of adequate storage methods for pesticides at the farm level. There should be more capacity building on the safe storage of chemicals.

Spraying of pesticides and health protection:

Field evidence demonstrated that although farmers were provided with Personal Protective Equipment, the latter was not entirely adequate.

- Managing Entities in the region are currently in discussion to develop a joint concept to train more Spray Service Providers. This aspect will be further discussed at the 5<sup>th</sup> CmiA stakeholder meeting in autumn 2011.
- Measures implemented by the Managing Entity and progress made to resolve these problems will be thoroughly assessed during the second 3<sup>rd</sup> party verification in 2013.

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<sup>1</sup> A ginning season may last anywhere from three to five months

#### **4. Aggregated update on Exclusion Criteria**

This section refers to the results of the follow-up verifications.

##### **Child Labour:**

During follow-up verifications there was no field evidence of children working on commercial farms. However there was field evidence of children carrying out light work on family farms (e.g. leading animals during ploughing, engaging in weeding, bringing workers food or looking after siblings on family farms). There was also field evidence that while farmers saw the value of educating their children, they were unable to educate all of them due to economic constraints.

Compared to the initial 3rd party verifications, the verifier found that Managing Entities had upgraded their training materials. There was evidence that Managing Entities engaged in adequate and effective sensitisation through trainings and using media such as the radio. The verifier also concluded that Managing Entities are trying to ameliorate the economic constraints associated with education through social projects.

The verifier considered the measures taken to be adequate and effective and that the risks of noncompliance had therefore been eliminated. As a consequence, the rating of exclusion criterion no. 1 was changed from "under scrutiny" to "no" for all Managing Entities within the scope of the follow-up verification.

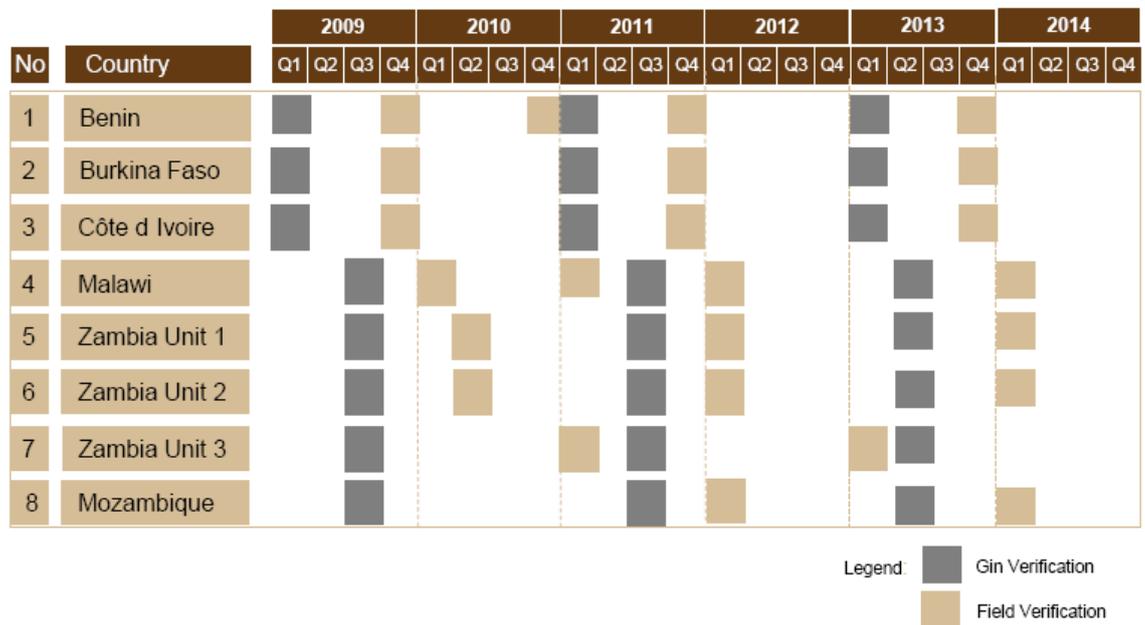
- The Aid by Trade Foundation commissioned an expert opinion investigating the implications of the terms "hazardous" and "light" work. A final decision on the definition of these terms is expected to be reached at the 5<sup>th</sup> CmiA stakeholder meeting in autumn 2011.

##### **Bonded or forced labour:**

There was field evidence of waged workers on large farms and that workers were aware of and agreed with the contents of their contracts. The verifier found evidence for attempts by Managing Entities to formalise relations between employers and employees including such information as duration, age and nationality of worker and the kind of remuneration. There was field evidence for freedom of movement and that workers could leave freely after completion of contract. Moreover, the verifier observed that Managing Entities used the radio to raise awareness of the issue of forced labour.

The verifier considered the measures taken to be adequate and effective and that the risks of noncompliance had therefore been eliminated. As a consequence, the rating of exclusion criterion no. 3 what changed from "under scrutiny" to "no" for all Managing Entities within the scope of the follow-up verification.

## 5. CmiA Verification cycle



## 6. Priority for improvements at the Ginnery and Farm Levels during the coming two years

- Verification Management<sup>2</sup> conducted two Management Plan Coachings in Western and Southern Africa.
- All Managing Entities are obligated to work on the identified priorities and hand in their revised Management Plans to Verification Management by September 2011.

<sup>2</sup> CmiA Verification Management is currently sub-contracted to PricewaterhouseCoopers

## 7. Management Summary - CmiA Verification Western and Southern Africa 2009 - 2011\*

Category	Principle	Unit 1	Unit 2	Unit 3	Unit 4	Unit 5	Unit 6	Comment	
Farm Level Criteria	General	1	Social welfare programmes	●	●	●	●	●	In some countries governments prevent companies from engaging in social welfare programmes. However CmiA Managing Entities provide the operative structures and in some cases the facilities to support respective projects or to work in partnerships.
	CmiA farmer	2	Freedom of bargaining and written contracts	●	●	●	●	●	There has been no evidence that farmers are prevented from collective bargaining. Written contracts between cotton companies and farmers / farmer groups exist, but could be more consistent and also need to be understood by illiterate farmers.
	Soil and water conservation	3a	Soil and water conservation and water run-off management	●	●	●	●	●	The principles of soil and water conservation are being trained and evidence shows that farmers understand these principles. Field evidence has shown that it also has been applied, where applicable.
		3b	Crop rotation	●	●	●	●	●	Farmers were able to explain the principles of crop rotation and generally rotate three crops and in some cases two. However gathering evidence through observation is almost impossible.
	Handling and application of pesticides	4a	Approved and correct labeled pesticides	●	●	●	●	●	Entities are using those pesticides generally released by the governments. In one country <i>endosulfan</i> was still in use but is in the process of being phased out.
		4b	Storage and transport of pesticides	●	●	●	●	●	The principle is generally taught to and understood by individual farmers , but some evidence has demonstrated that safe storage is not applied consistently.
		4c	Spraying of pesticides and health protection	●	●	●	●	●	PPE was not provided or available in all cases. Field evidence demonstrated that not all the advised protection measures were applied.
		4d	Disposal of empty plant protection chemical containers	●	●	●	●	●	The need for safe disposal of empty containers is understood, but there is evidence that empty containers are being dumped around houses, in fields or mixed in with domestic waste.
		4e	Runoff or leaching of plant protection chemicals into streams or ground water	●	N/A	●	●	●	Awareness building has not been perceived as relevant since application techniques and local circumstances may not lead to significant run-off or leaching.
		4f	Improved Pest Management / pest thresholds	●	●	●	●	●	Farmers generally know the principles. Field evidence shows that scouting is applied but chemical application is still done according to the calendar.
	Agronomy	5	Training to improve farmer's skills and capacities	●	●	●	●	●	There has been evidence that good and effective capacity building is being implemented by the CmiA Managing entities. The task of reaching out to all farmers in the CmiA programme still remains, however.
	Input prices	6a	Transparency of input and cotton seed prices for farmers	●	●	●	●	●	Prices are usually communicated but there was occasional evidence that they were not known by individual farmers, particularly those organised in farmer groups.
	Quality	6b	A transparent system to grade seed cotton is in place	●	●	●	●	●	Units were able to demonstrate an accepted system.
		6c	Maximising fibre and lint quality	●	●	●	●	●	Respective training and information is being conducted.
Commerce	6d	Payment of cotton to farmers	●	●	●	●	●	In some countries, administrative processes prevent timely payment.	

Category	Principle	2011 results	2009 results	2011 results	2009 results	2009 results	2009 results	Comment in relation to 2011 results
Ginnery Criteria	Employees and workers in ginneries	1	Labour contracts in ginneries	●	●	●	●	There was evidence that workers received written contracts. At one ginnery evidence was found that not all permanent workers received written contracts since personnel was recruited through an internal memo.
		2	Working hours in ginneries are regulated and overtime work (includes shift and night allowances) is remunerated	●	●	●	●	Evidence was found that the system for monitoring and planning working hours and days of rest must be improved. Incidences of extensive working hours and limited days of rest appeared in one ginnery.
		3	Wages in ginneries comply with national law or sector agreements	●	●	●	●	Payment was above minimum wage and overtime and weekend allowances were paid. In one ginnery the calculation of the wage rate of seasonal workers was inadequate.
		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.	●	●	●	●	Although conditions had improved, in some ginneries lack of sufficient PPE and lack of awareness of several workers of the need to wear adequate PPE were evident.
		5	Freedom of association and bargaining for employees in ginneries	●	●	●	●	There was no evidence that farmers were denied the from freedom of association or bargaining.
Environmental Impact	6	Environmental management plan	●	●	●	●	Environmental management plans have been drawn up in most ginneries but have not been fully implemented yet.	

\* Please note that all field level verification results were obtained during initial 3rd party verifications that took place between 2009 and 2011. 3rd party ginnery verification results have been updated where possible.