



# Cotton made in Africa

## Aggregated Verification Report

2015

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#### 1. Introduction

Independent and qualified third party auditors regularly monitor participating cotton companies, smallholder farmers and ginnery workers against the requirements of the CmiA standard. They check full compliance with all CmiA exclusion criteria and monitor continuous improvement concerning the implementation of the CmiA development criteria. To this aim, the cotton companies, their contracted farmers and ginneries receive regular verification visits. Every cotton company (“Managing Entity”) has to complete one full verification cycle consisting of audits conducted by external verifiers every two years.<sup>1</sup> According to the CmiA verification system, one such verification cycle consists of two separate missions – one field audit, to verify if farmers contracted by the respective cotton company adhere to the CmiA sustainability criteria on farm level, and one ginnery audit, to verify if the work in the respective cotton company’s ginneries is compliant with the CmiA sustainability criteria on gin level.

Thereby, CmiA ensures that the initiative's value proposition of helping African smallholder farmers and their families achieve better living conditions and continuously improve performance according to the CmiA sustainability criteria is observed. Through this philosophy of continuous improvement - by taking a problem-solving approach and finding solutions for the challenges to sustainable practices together with farmers, verifiers, and cotton companies - CmiA gives an increasing number of smallholder

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<sup>1</sup> For further detail, see info-box on page 9

farmers and cotton companies a chance to continuously improve their cultivation methods. As in previous years, 2015 saw very positive feedback to this approach by various managing entities.

In accordance with the CmiA standard, verification pays particular attention to social, ecological and economic criteria (people, planet, profit). More information about the CmiA standard, verification practices and requirements can be found on the CmiA website via <http://www.cottonmadeinafrica.org/en/standards/verification>.

The annually published aggregated verification report provides cumulated information on the results of previous verification missions, serves as a reference to monitor future verifications and thereby helps to continuously monitor and improve the work on farm and gin level according to the sustainability indicators of Cotton made in Africa. The following hence comprises an overview of the 2015 performance results, verified cotton companies and both implementation support and verification management activities offered and conducted by the AbTF.

## 2. Performance Results

### Exclusion Criteria

1. Through its Exclusion Criterion 9 (Prohibited Pesticide Active Ingredients), **CmiA has clearly contributed to the use of less dangerous pesticides by African smallholder cotton farmers**. By prohibiting the use of all pesticides listed on the Stockholm and the Rotterdam Protocols as well as of those classified as the World health Organisation (WHO lists 1a and 1b), CmiA contributes to preserving human health and livelihoods as well as the natural environment.
2. Verifications at Field and Ginnery Level showed that **all CmiA cotton companies fully respect ILO Core Labour Conventions<sup>2</sup>**. At ginnery level, 100% of verified cotton companies were found to grant all their ginnery workers the rights to Freedom of Association and to Collective Bargaining.

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<sup>2</sup> ILO Core Labour Conventions are: ILO Conventions 138 and 182 defining minimum age for work and prohibiting child labour; ILO Conventions 29 and 105 prohibiting forced labour; ILO Conventions 100 and 111 fighting discrimination in the workplace as well as ILO Conventions 87 and 98 guaranteeing the rights to Freedom of Association and Collective Bargaining.

## Farm Level Development Criteria

3. Again in 2015, **verifications confirmed a constant high level of compliance in social issues, and fair conditions for contracted farmers and gin workers:**
4. **All farmers get cash payment for the delivered cotton latest 30 days after delivery.** In fact, the **huge majority is paid on spot upon delivery** or in the following week. (100% of companies scored a “green” rating on Farm Level Criterion 6e, Timely Payment.)
5. **Farmers are informed and aware about the final input cost** before committing to producing cotton and using inputs, and the Managing Entities could prove **fair pricing methods**. Price calculations are accessible and transparent to the farmer or farmer groups. (17 out of 20 companies scored a “green” rating on Farm Level Criterion 6b, Transparency of Input Prices)
6. **All cotton companies provide farmers with pre-financed inputs, thus eliminating initial cost for contracted smallholder farmers, avoiding loans and** enabling farmers to make the necessary investment at the beginning of any given season (“yellow” or “green” rating on Farm Level Criterion 6a, Pre-Financing on Inputs). 75% of verified companies even achieved a “green” rating as evidence clearly showed a **good understanding of pre-financing terms by farmers**.
7. **All cotton companies have been observed to make training their farmers a top priority** (100% of all managing entities scored a “green” or “yellow! Rating on Farm Level Criterion 5, Training to improve farmer’s skills and capacities). 60% of the companies even received a “green” rating due to their **extensive commitment to training farmers on a variety of issues**.

## Ginnery Level Development Criteria

8. **As previously observed in the 2014 verification report, all Managing Entities provide transparent contractual agreements to their employees (permanent, seasonal and casual workers).** In 2015, 100% of all companies scored “green” or “yellow” ratings for Ginnery Level Criterion 1, Labour Contracts, with more than half of them receiving a “green” rating.
9. All Managing Entities **pay workers employed in the ginneries at least the national legal minimum wages**. (100% of companies scored “green” or “yellow” for Ginnery Level Criterion 3, Wages). 17 out of 20 Managing Entities (=85%) even achieved a “green” rating, expressing the fact that permanent employees get paid wages that are above existing national minimum wages or correspond-

ing sector agreements.

10. When it comes to **conditions of occupational health and safety** in verified ginneries, the 2015 verification results show remarkable improvements compared to 2014. With no managing entity being assigned a “red” rating, the number of “green” scores has increased by 14% over the course of only one year.
11. Regarding **regulated working hours and overtime work in ginneries**, 90% of all managing entities received a “green” or “yellow” ranking, and 50% have already been assigned “green”. However, a few “CmiA newcomers” show significant room for improvement and have incorporated the issue accordingly in their respective management plans.

### **Continuous Improvement Update**

12. Across all development criteria (both on farm and on ginnery level), considerable improvements could be observed. Verifications conducted in 2015 therefore clearly demonstrated the **positive effect of CmiA trainings and the CmiA philosophy of “continuous improvement”**.
13. In 2015, only very few companies are still in the process of establishing sustainable business practices at the level of Development Criteria, respectively reflected in a total of one to three “red” ratings. 13 out of 19 companies, however, showed no single red Development Criterion.
14. Noticeable progress was made, especially regarding the issues of **written contracts, both on farm and on ginnery level** (Criteria no. 2a: Freedom of bargaining and written contracts and no. 1: Labour contracts in ginneries) which saw a considerable number of entities with an ameliorated performance compared to 2014 (going from “yellow” to “green”).
15. Furthermore, **progress** has been made with regard to the main hot spots of sustainable cotton cultivation and processing, especially **concerning the handling and application of pesticides**. Many cotton companies that have been CmiA partners for some time show an ameliorated performance (going from “yellow” to “green” over the course of only one year). The average rating regarding almost all farm level criteria in this field has progressed from 2014 to 2015, with criterion 4a (Pesticide Management) remaining the only exception: here, a slight regress could be noticed which is directly retraceable to the number of “newcomers” having joined CmiA.

Hot Spot Pesticides	2015	2014
Pesticide Management (Farm Criterion 4a)	79% <sup>3</sup> green	88% green
Disposal of empty chemical containers (Farm Criterion 4d)	53% green	50% green
IPM/threshold spraying (Farm Criterion 4e)	32% green	27% green
Storage and Transport of Pesticides (Farm Criterion 4b)	37% green	33% green

16. At the end of each verification mission, all cotton companies have been sensitized to commit to further improvement and consequently formulated their own **Management Plan** for achieving a higher verification ranking. Based on the findings and recommendations made by the verifiers during the verification, this plan shows the company’s own priorities to allow for continuous improvement as required by AbTF Verification System.

### Remaining Challenges

17. Despite the significant progress noted and already mentioned above, **challenges remain especially in the areas of occupational health and safety**, both in the ginneries and in the fields. Verification findings concerning Farm Level Criterion 4c (Spraying and Health Protection) have shown that progress is particularly difficult to achieve for the provision of farmers and workers with personal protective equipment (PPE). While on Ginnery Level, Criterion 4 (Occupational Health and Safety) has demonstrated noticeable improvements over the course of a year, the majority of companies are still rated “yellow”, which indicates room for improvement regarding the issue of occupational health and safety across CmiA partners.

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<sup>3</sup> Several new managing entities joined CmiA in 2014. Consequently, the **2014 and 2015 numbers are not directly comparable** due to a differing data base (also see chapter 3 and Annex)

### 3. Overview of Verified Cotton Companies in 2015<sup>4</sup>

In 2015, **four additional cotton companies** completed the **process of verification** which they had started in 2014. Having successfully completed an entire verification cycle, consisting of third-party verifications both at the ginnery and the field level, they obtained the CmiA sales license in the beginning of 2015.

Two cotton companies, Cargill Zimbabwe and Olam Ghana, stopped their operations and therefore left CmiA.

At the end of 2015, a total of **17 verified cotton companies** have been granted **CmiA certificates**. In the **2014/15 season**, they worked with **670, 594 contracted farmers** and produced a **total volume of CmiA lint cotton of 341,537 mt**. The significant increase noted with view to the previous season (2013/2014) directly results from the addition of certified cotton companies in the 2014/2015 season as mentioned above.

In the course of 2015, six new companies expressed interest in joining CmiA. Three of them received their initial ginnery verification audit in 2015. Two are likely to be integrated into CmiA after completing their first verification cycle in the course of 2016.

According to estimations for the **2015/2016 season**, all CmiA verified cotton companies will be covering a total of **690,000 farmers**, cultivating cotton almost **1 million hectares**.<sup>5</sup>

Companies with CmiA status in 2015 operated in a total of **42 ginneries**, which equally have been successfully verified in accordance with the CmiA standard.

### 4. Implementation Support by AbTF

With the development criterion 2b on “Equal rights regarding gender” reflecting many sensitive topics, it became critical to offer corresponding training material that would remove barriers for gender equality and allow extension farmers to sensitize for the topic in their trainings with more ease. In 2015, training material on gender equality has been elaborated, directly inspired by the successful introduction of a picture block on the issue of child labour back in 2014. The issues covered in the new gender picture block range from the right of women to raise their voice in the household, HIV/AIDS and in family planning to farming matters, workload, division of labour, equal opportunities in training measures, cotton sales and microfinances. The gender picture block has already been distributed in Eastern and Southern Africa – both digitally and in print. In 2015, first farmers have already been trained based on the picture blocks.

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<sup>4</sup> Cf. to Annex A + B for a detailed list and map of all verified CmiA cotton companies with their corresponding sales license status

<sup>5</sup> CmiA Facts and Figures: <http://www.cottonmadeinafrica.org/en/english-docs/press-kit>

With pesticide management being an equally critical point, 2015 saw a new initiative to foster the development and introduction of organic pesticides. Intending to explore the viability and efficiency of using locally obtainable organic pesticides in combination with a series of natural pest prevention measures (such as e.g. Molasses traps), a pilot project was launched. In two test countries (Zambia and Tanzania), multiple field trials were conducted in collaboration with a research institute, testing the production and use of organic pesticides and applicability of organic pest prevention mechanisms in the field.

In 2015, the AbTF also put a special focus on supporting cotton companies in formulating their Management Plan (Continuous Improvement Plan). This was, besides others, also the subject of two workshops conducted in French and English during the Stakeholder Conference Technical Day in Addis Ababa, Ethiopia in October 2015. The Improvement Plan is a compulsory, integral part of each verification report. It is based on the auditors' findings and recommendations and represents, together with necessary corrective actions, the company's own priority-setting for improvement measures to be taken in the course of the following two years, up until the next CmiA verification.

Next to cotton growing, the element of food security is an important aspect of smallholder farming systems to be taken into consideration. In rotation with cotton, farmers are planting food crops, especially maize and a variety of beans, which are largely used for their own consumption. Against the fundamental aim of CmiA of contributing to greater economic resilience of farmers to ensure improved living conditions for the CmiA smallholder farmers and their families, AbTF participates in a project and study with two renowned environmental and social NGOs - WWF and German Agro-Action (Welthungerhilfe). Additionally, the AbTF cooperates with the research Institute ZEF to develop practically applicable indicators for food security in those countries and regions where CmiA is active. The overall CmiA objective is to offer cotton companies a module which, in addition to CmiA, allows the verification of common rotational crops. To this end, CmiA and Welthungerhilfe designed a first draft module, which was subsequently tested in the field (in Zambia in March 2015 and in Côte d'Ivoire in August / September 2015).

## **5. AbTF Verification Management Activities**

In the CmiA standard system, **all cotton companies have to be assessed by independent third party verifiers on farm and field level in order to be able to sell their cotton as "CmiA"**.

AbTF takes over the roles of Verification Management and of overall verification monitoring (oversight). In 2015, AbTF Verification Management has been responsible of the following activities:

a) Coordination / Organization of Verification Missions

- Coordination of **22 CmiA verification missions**. Compared to 2014, the number of missions has been stable.
- **Four candidate partners**, which had already started the verification cycle in 2014, could successfully complete the second verification mission in 2015, and subsequently obtained the permission to trade their lint cotton under the CmiA label.
- **Two additional candidates** applied for a CmiA certificate and began their first verification cycle (prior to initial certification) with gin verifications.
- For reasons of equalisation, Verification Management processes were reorganised. Prospectively, one mission (field or ginnery) will be conducted per partner per year. This directly results in more consistent verification practices.
- Continuous support and guidance is offered to existing and newly introduced partners to meet CmiA standard requirements.
- Facilitation of CmiA verification audits. Verifiers confirmed that they could conduct all verifications without any significant limitations.

***Timing of verification missions***

*Following the cotton production cycle, field and gin verifications have to be conducted at different times.*

*In **Eastern and Southern Africa** (including Tanzania), field verifications can take place in the first months of the year (approx. February to April, depending on planting dates), while ginneries usually operate from June/July on.*

*In **Western Africa**, and also in **Ethiopia and Uganda**, field verifications can take place in the third quarter of the year (approx. August to October), while ginneries usually operate from January on.*

*Therefore, the two necessary verification missions in one cycle of verification are mostly taking place in two different calendar years.*

b) Data Management

- Collection and quality control of Annual Self-Assessments from a total of **22** cotton companies.
- Performance analysis and communication based on data both from self-assessments and verification reports.



- Next phase of the project to establish a web-based data management software solution for the online submission of self-assessments: request for and evaluation of various providers' proposals.

c) Verification Quality: Monitoring and Training

- Cooperation with **3 verifier organizations** (EcoCert, AfriCert and Control Union) and their pool of **15 individual verifiers**.
- Conduction of initial and refreshing trainings for all verifiers in the CmiA verification criteria on farm and gin level. Additionally, **two monitoring missions** were undertaken by AbTF in Tanzania and Côte d'Ivoire and **eight auditors were evaluated**. Those monitoring missions are regularly conducted in order to ensure a high audit quality and consistent interpretation of the CmiA standard.
- Admission of **two** additional verifier as "lead verifiers" after evaluation.
- Quality control and follow-up on 22 verification reports and corresponding management plans for continuous improvement.
- Training / coaching of **six** verifiers in the field done through AbTF verification manager during two field verifications in Côte d'Ivoire.
- Witness audit by AbTF during **four verification missions** in Tanzania and Côte d'Ivoire.

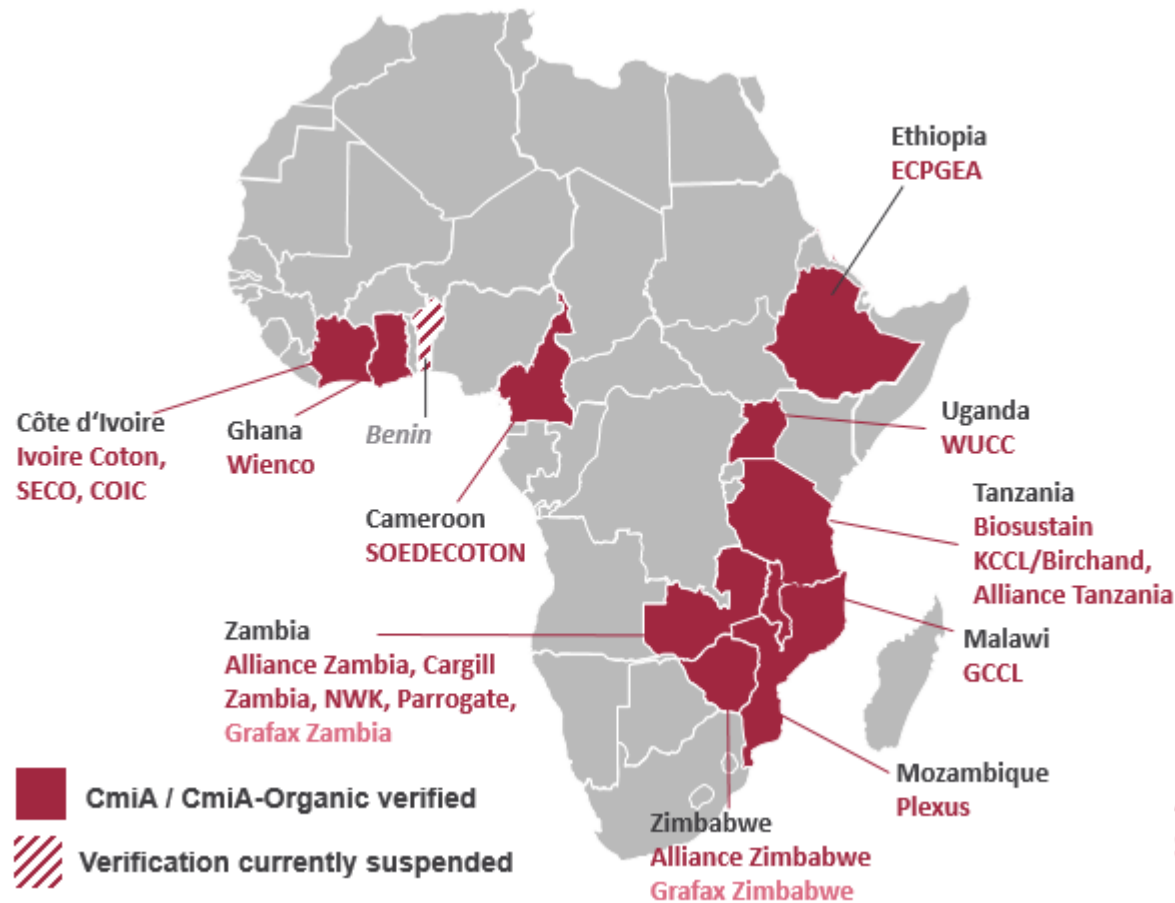
d) Standard Development, Interpretation and Guidance

In 2015, the AbTF has started a revision process of the CmiA, CmiA Organic and SCS standards. The development of the standards thereby follows three principal objectives:

- To update the standards' requirements, especially with regard to water and soil management, which are two subjects of increasing importance in combatting climate change and in increasing yield.
- To increasingly reward the engagement of managing entities, especially when it comes to farmer trainings in basic economic skills, bio-technical pest control, and complaint mechanisms at ginneries.
- To facilitate standard readability and compliance by introducing criteria-groupings along the four main elements of CmiA's sustainability: people, planet, profit, and performance (the latter measuring the management capacity for change and improvements of managing entities)

In revising its standards, the AbTF follows a well-established and internationally accepted path of internal communication, discussion with a broad spectrum of stakeholders in the framework of the CmiA Technical Advisory Group, and public consultation in accordance with internationally established rules (ISEAL). The completion of the standard revision process and the subsequent introduction of CmiA vol.4 is planned for 2017.

## ANNEX A. Map of Verified CmiA Partner Cotton Companies



	2015 (harvest 2014/2015)	2016 (forecast)
Companies	17	19
Farmers	670,594	694,741
Hectares	975,335	985,774
Seed cotton (mt)	814,535	n/a
Lint cotton (mt)	341,537	n/a

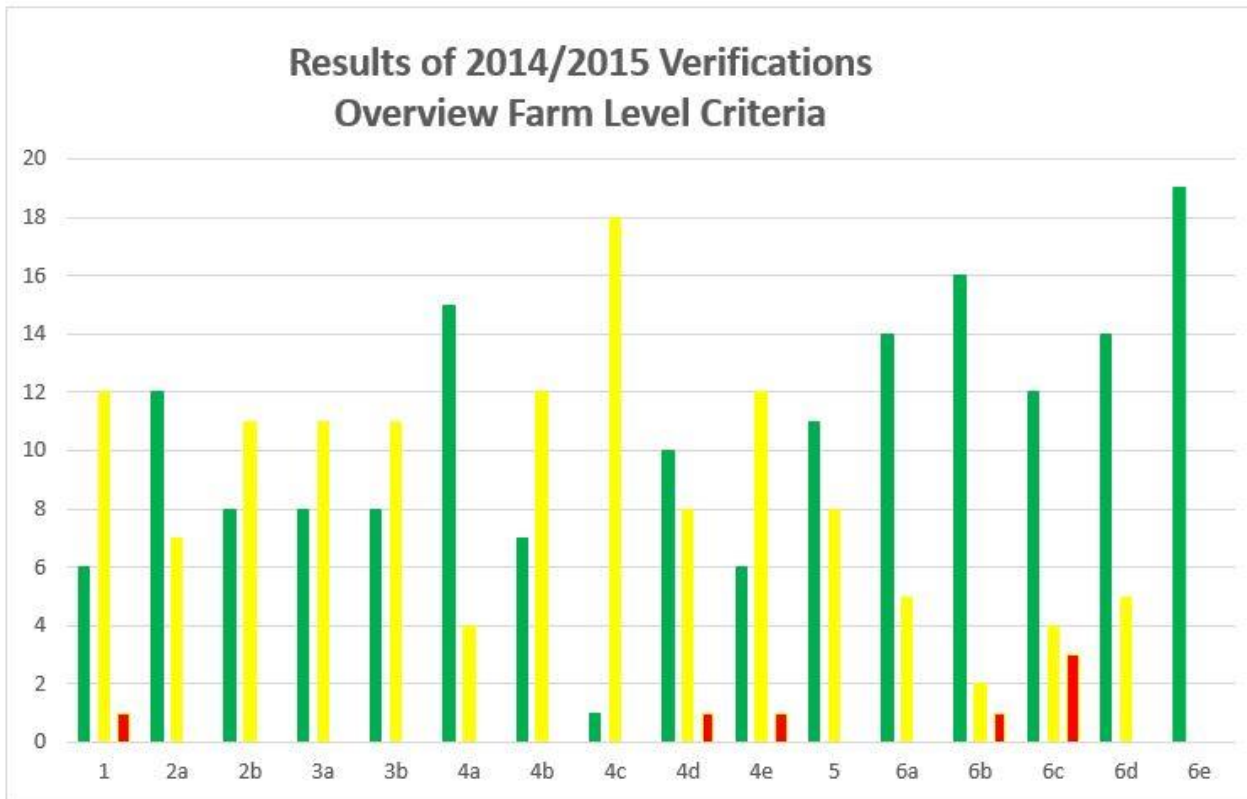
**Active in 2014/2015 season**  
**Starting from 2015/2016 season**

## Annex B. List of Verified CmiA Cotton Companies with Respective Sales License Status in 2015

#	Country	Cotton Company	Verification Missions in 2015	CmiA Sales Licence Status in 2015
1	Cameroon	SODECOTON	-	Valid licence
2	Côte d'Ivoire	Ivoire Coton	Field	Licence confirmed
3	Côte d'Ivoire	SECO	Field	Licence confirmed
4	Côte d'Ivoire	COIC	Gin + Field follow up	New, starting 2014/15
5	Ethiopia	ECPGEA	-	New, starting 2014/15
6	Ghana	Wienco Ghana Cotton	Field	Valid licence
7	Malawi	GLCC	Gin	Valid licence
8	Mozambique	Plexus	Gin	Valid licence
9	Tanzania	Biosustain	Gin	Licence confirmed
10	Tanzania	Alliance	Field	New, starting 2014/15
11	Tanzania	Birchand / KCCL	Field	New, starting 2014/15
12	Uganda	Western Uganda Cotton Company (WUCC)	-	Valid licence
13	Zambia	Alliance	Field	Licence confirmed
14	Zambia	Cargill	Field	Valid licence
15	Zambia	NWK (former Dunavant)	Gin	Valid licence
16	Zambia	Parrogate / Continental Ginneries	Gin	Valid licence
17	Zimbabwe	Alliance	Field	Licence confirmed

**Annex C. 2015 Performance of all verified cotton companies in CmiA Development Criteria according to the established CmiA traffic light system**

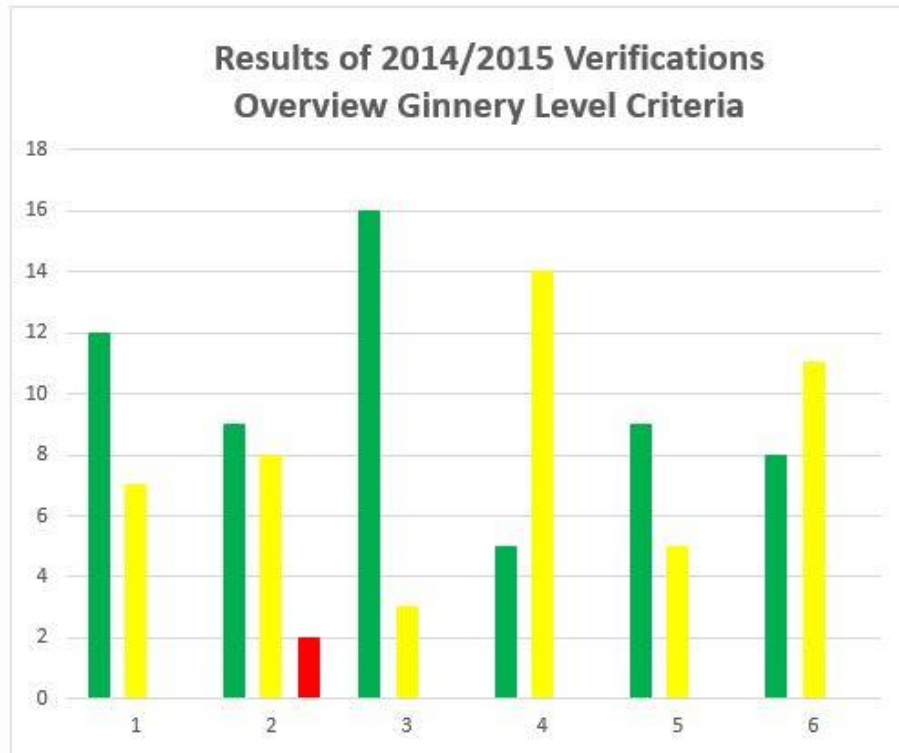
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1	Social Welfare Programs
2a	Written Contracts
2b	Equal rights regarding gender
3a	Soil and water conservation
3b	Crop rotation
4a	Pesticide Management
4b	Storage and transport of pesticides
4c	Spraying of pesticides and health protection
4d	Disposal of empty plant protection chemical containers
4e	Integrated Pest Management / pest thresholds
5	Training to improve farmers' skills and capacities
6a	Pre-financing of inputs
6b	Transparency of input and cotton seed prices for farmers
6c	A transparent system to grade seed cotton
6d	Maximising fibre and lint quality through improved harvesting and post harvesting techniques
6e	Payment of cotton to farmers

CmiA Ginnery Level Development Criteria (No.)

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CmiA Ginnery Level Development Criteria (No.)

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