



# Cotton made in Africa

## Aggregated Verification Report

### 2017

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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 Cotton made in Africa standards (CmiA and CmiA Organic). They check full compliance with all CmiA exclusion criteria and monitor continuous improvement concerning the implementation of the CmiA development criteria. To this aim, partnering 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 in a period of two years.<sup>1</sup> According to the CmiA verification system, such a verification cycle consists of two separate missions – one field audit, to verify if the farmers contracted by the respective cotton company both respect the exclusion criteria and 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 exclusion and sustainability criteria on gin level.

Thereby, CmiA ensures that the initiative's value proposition is observed: supporting African smallholder farmers achieve better living conditions for them and their families and continuously improve performance according to the CmiA sustainability criteria. By taking a problem-solving approach and finding solutions for the challenges to sustainable practices together with verifiers, cotton companies and farmers, CmiA creates opportunities for an increasing number of smallholder farmers and cotton companies to continuously improve their cultivation methods.

In accordance with the CmiA standards, verification pays particular attention to social, ecological and economic criteria (people, planet, profit). More information about the CmiA standards, 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 aggregated information on the results of the last years’ verification missions, serves as a reference to monitor future verifications and helps to continuously revise and improve the work on farm and ginnery level according to the sustainability indicators of Cotton made in Africa. The following chapters hence comprise an overview of the 2017 performance results of verified cotton companies, the verification management activities conducted by the Aid by Trade Foundation (AbTF) as well as the implementation support offered.

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<sup>1</sup> For further details, see info-box on page 11.

## 2. Performance Results

The **CmiA Criteria Matrix** gives the exact description of every single criterion and defines which level of achievement is required to receive a “green”, “yellow” or “red” rating (traffic light system). The document is accessible under the link

<http://www.cottonmadeinafrica.org/en/materials/cmia-standard/cmia-standards-documents>.

Based on the findings and recommendations of a verification, the Managing Entity (usually a cotton company) defines its own **Management Plan** where it outlines priority areas for further improvement. The overall objective is to stepwise achieve a better ranking on criteria which have not yet reached the “green” level, and in the long-term perform on best practice level for a sustainable cotton production.

### 2.1 Exclusion Criteria

CmiA contributes to preserving human health and livelihoods as well as the natural environment. With this objective, CmiA contributes to the **use of less hazardous pesticides by African smallholder cotton farmers**. Under Exclusion Criterion 9, CmiA is prohibiting the use of all pesticides listed on the Stockholm and the Rotterdam Conventions as well as of those classified as extremely and highly hazardous by the World Health Organisation (WHO categories Ia and Ib).

Verifications showed that **all CmiA cotton companies fully respect the ILO Core Labour Conventions** on field and ginnery level. These include:

- ILO Conventions 138 and 182: prohibition of worst forms of child labour and definition of the minimum age for work (Exclusion Criterion 3)
- ILO Conventions 29 and 105: prohibiting bonded or forced labour (Exclusion Criterion 5)
- ILO Convention 87: guaranteeing Freedom of Association, meaning the right of foundation and/or membership of/in institutional structure (Exclusion Criterion 6a)
- ILO Convention 98: the right to collective bargaining and its outcomes (Exclusion Criterion 6b)
- ILO Convention 100: Non-respect of the principle of equal remuneration for men and women workers for work of equal value (Exclusion Criterion 16)
- ILO Convention 111: against discrimination in the workplace (Exclusion Criterion 17)

In addition, CmiA prohibits human trafficking as defined by UN Palermo Protocols (Exclusion Criterion 4).

## 2.2 Farm Level Development Criteria

Looking at the verification results of 2017, it becomes clear that some of the 2016 results could be maintained on the same satisfying level. This applies to the following criteria<sup>2</sup>:

- In 2017, the rating for Farm Level Criterion 6a, Pre-financing of inputs, remained at 100% “green”. This means **all CmiA verified cotton companies provide farmers with pre-financed inputs** and are thus able to cultivate cotton without taking loans from moneylenders.
- Also for Farm Level Criteria 4a, **Pesticide management**, again 100% of the companies achieved either “green” or “yellow” ratings, with a total of 81,8% of “green” ratings, representing the same compliance level as in 2016.

| Improvement <sup>3</sup>                             | 2016                        | 2017                        |
|--|-----------------------------|-----------------------------|
| Pre-financing of inputs<br>(Farm Level Criterion 6a) | 100% green                  | 100% green                  |
| Pesticide management<br>(Farm Level Criterion 4a)    | 81,8% green<br>18,2% yellow | 81,8% green<br>18,2% yellow |

### 2.2.1 Continuous Improvement Update

Verifications conducted in 2017 showed enhancements across several farm level development criteria, in line with the **CmiA philosophy of “continuous improvement”**.

It is obvious that some cotton companies, usually those who recently joined CmiA, are still in the process of establishing sustainable business practices at the Development Criteria level. Nevertheless, the aggregated results of 2017 show a slight decrease with respect to the “red” ratings on farm level, with only a total of five “red” compared to seven “red” in 2016. From the eleven cotton companies that were subject to a farm level verification in 2017, seven showed no single “red” rating in any of the 16 Farm Level Development Criteria.

<sup>2</sup> Criteria ranking in order of level of achievement.

<sup>3</sup> Due to the bi-annual verification cycle, where in year one the field verification is followed by gin verification in year two, data from 2016 and 2017 covers different managing entities and therefore is not directly comparable. In addition, two new managing entities joined CmiA in 2017, that are obviously still at the starting point of their continuous improvement journey for sustainable cotton production (also see chapter 3 and Annex).

These are the criteria, where **gratifying progress** has been made in 2017<sup>4</sup>:

- Farm Level Criterion 6e concerns the payment of farmers and requires that all farmers get cash payment for their cotton latest 30 days after delivery. In fact, the **vast majority of farmers is paid immediately upon delivery** or in the following week. This is proven by the fact that 100% of the cotton companies received a “green” rating in 2017, compared to 81,8% in 2016.
- Farm Level Criterion 2a requires that all farmers receive **written contracts on input supply and output sales** with the buyers, ginneries or their appointed agents, and that farmers also do understand the implications of these contracts and pre-financing terms. In 2017, there was a significant increase to 81,8% of ratings in “green”, compared to 54,6% in 2016. In addition, none of the cotton companies with a field level verification received a “red” rating, other than in 2016, where one “red” rating occurred.
- As in previous years, **training of their farmers was a top priority among all cotton companies**. This is supported by the 2017 findings: 100% of the managing entities scored “green” or “yellow” on Farm Level Criterion 5, Training to improve farmer’s skills and capacities. Compared to 2016 results, aggregated ratings showed a remarkable improvement from 36,4% to 63,6% in the “green” category in 2017.

| Improvement <sup>5</sup>   | 2016                                    | 2017                        |
|--|---|-----------------------------|
| Payment of cotton to farmers<br>(Farm Level Criterion 6e)                          | 81,8% green<br>18,2% yellow             | 100% green                  |
| Written contracts on input<br>supply and output sales<br>(Farm Level Criterion 2a) | 54,6% green<br>36,3% yellow<br>9,1% red | 81,8% green<br>18,2% yellow |
| Training to improve farmer’s<br>skills and capacities<br>(Farm Level Criterion 5)  | 45,4% green<br>54,6% yellow             | 63,6% green<br>36,4% yellow |

<sup>4</sup> Criteria ranking in order of level of achievement.

<sup>5</sup> Due to the bi-annual verification cycle, where in year one the field verification is followed by gin verification in year two, data from 2016 and 2017 covers different managing entities and therefore is not directly comparable. In addition, two new managing entities joined CmiA in 2017, that are obviously still at the starting point of their continuous improvement journey for sustainable cotton production (also see chapter 3 and Annex).

## 2.2.2 Remaining Challenges

Unfortunately, in comparison to 2016, the aggregated verification results of 2017 showed a decline in ratings for some criteria. A detailed root-cause analysis is currently underway and AbTF will counteract with suitable measures. Remaining challenges are, amongst others<sup>6</sup>:

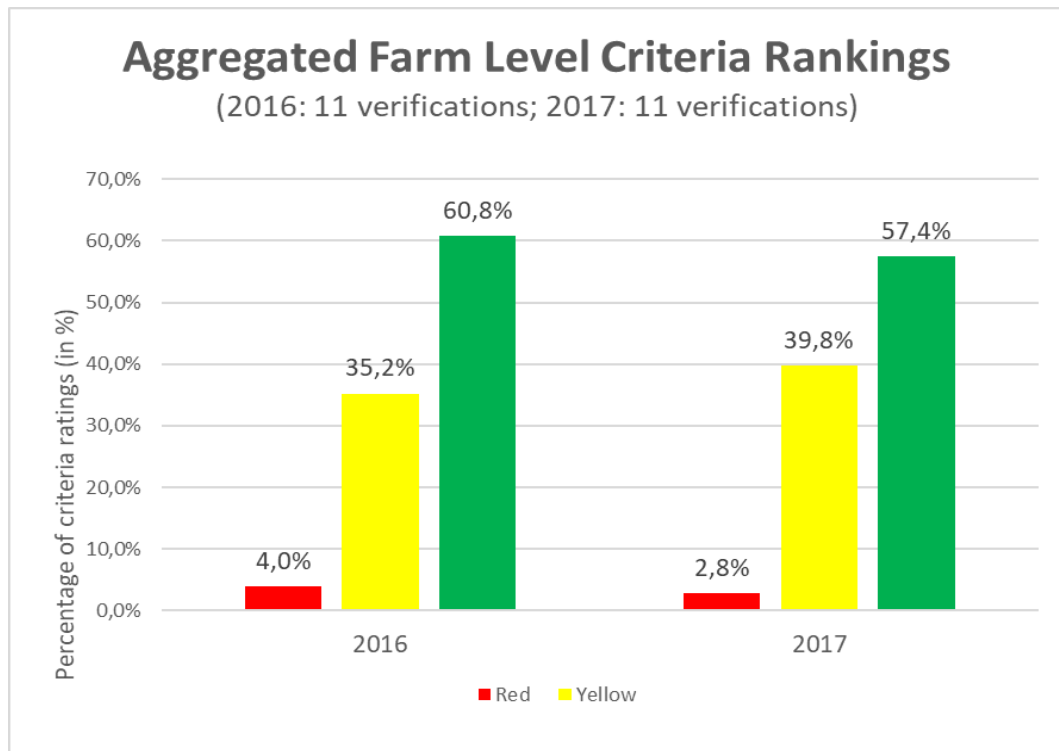
- Concerning Farm Level Criterion 6d, **maximising fibre and lint quality**, the “green” ratings decreased from previously 81,8% in 2016 to 63,6% in 2017. Despite the decline it should be mentioned that none of the cotton companies with a field level verification in 2017 received a “red” rating, other than in 2016, where one “red” rating occurred.
- The CmiA Standard determines several criteria for the well-known hot spot pesticides. Despite continued attention, overall ratings for the related criteria declined, e.g., Farm level Criterion 4d (**disposal of empty plant protection chemical containers**) impaired from 72,7% of “green” in 2016 to 45,5% in 2017 and Farm Level Criterion 4c on **spraying of pesticides and health protection** still poses a major challenge with only 9,1% of ratings achieving a “green”, the remaining 90,9% of ratings stagnant in “yellow”.
- The topic **soil and water conservation/ water run-off management** is covered under Farm Level Criterion 3a, which equally saw less satisfying results in 2017 (with 36,4% “green”) than in 2016 (with 54,5% “green”).

| Challenges <sup>7</sup>  | 2016                                   | 2017                        |
|--|--|-----------------------------|
| Maximising fibre and lint quality<br>(Farm Level Criterion 6d)                         | 81,8% green<br>9,1% yellow<br>9,1% red | 63,6% green<br>36,4% yellow |
| Disposal of empty plant protection<br>chemical containers<br>(Farm Level Criterion 4d) | 72,7% green<br>27,3% yellow            | 45,5% green<br>54,5% yellow |
| Crop rotation<br>(Farm Level Criterion 3b)   | 54,6% green<br>45,4% yellow            | 36,4% green<br>63,6% yellow |
| Spraying of pesticides and health<br>protection<br>(Farm Level Criterion 4c)           | 18,2% green<br>81,8% yellow            | 9,1% green<br>90,9% yellow  |

<sup>6</sup> Criteria ranking in order of level of achievement.

<sup>7</sup> Due to the bi-annual verification cycle, where in year one the field verification is followed by gin verification in year two, data from 2016 and 2017 covers different managing entities and therefore is not directly comparable. In addition, two new managing entities joined CmiA in 2017, that are obviously still at the starting point of their continuous improvement journey for sustainable cotton production (also see chapter 3 and Annex).

The chart below compares the aggregated ratings on farm level achieved in 2016 and 2017.



*Annex C (1/2) for the overview of the 16 farm level criteria.*

## Ginnery Level Development Criteria

Across all development criteria on ginnery level, some improvements could be observed.

Most importantly, all twelve cotton companies that were subject to a ginnery level verification in 2017 did not receive a single “red” rating in any of the five ginnery level Development Criteria. And only a few companies are still in the process to improve to the “green” level of sustainable business practices.

### 2.2.3 Continuous Improvement Update

In comparison to the results of the 2017 verifications, some of the 2016 results improved. This applies to the following aspects:

- As it already could be observed in the past three verification reports, **all managing entities provided transparent contractual agreements to their employees** (permanent, seasonal and casual workers). Also in 2017, all cotton companies scored “green” or “yellow” ratings for Ginnery Level Criterion 1, Labour contracts, with 83,3% of them even receiving a “green” rating – which is a clear improvement compared to 2016’s 66,7% of “green”.
- All managing entities **pay workers employed in the ginneries at least the national legal minimum wage** (Ginnery Level Criterion 3, Wages). In 2017, 91,7% of them achieved a “green” rating – a significant improvement compared to the 66,7% of “green” in 2016. This implies that permanent employees get paid wages that are at or above existing national minimum wages or corresponding sector agreements.
- Also, Ginnery Level Criterion 6, the Environmental Management Plan, could see a amelioration from 33,3% of “green” in 2016 to 50% in 2017. Nevertheless, this topic remains a field of work for a number of managing entities, as 50% still leaves substantial room for further improvement.



| Challenges <sup>8</sup>   | 2016                        | 2017                        |
|---|-----------------------------|-----------------------------|
| Labour contracts<br>(Ginnery Level Criterion 1)                 | 66,7% green<br>33,3% yellow | 83,3% green<br>16,7% yellow |
| Wages<br>(Ginnery Level Criterion3)                             | 66,7% green<br>33,3% yellow | 91,7% green<br>8,3% yellow  |
| Environmental Management<br>Plan<br>(Ginnery Level Criterion 6) | 33,3% green<br>66,7% yellow | 50% green<br>50% yellow     |

#### 2.2.4 Remaining Challenges

Despite the progress already mentioned above, some **challenges remain**:

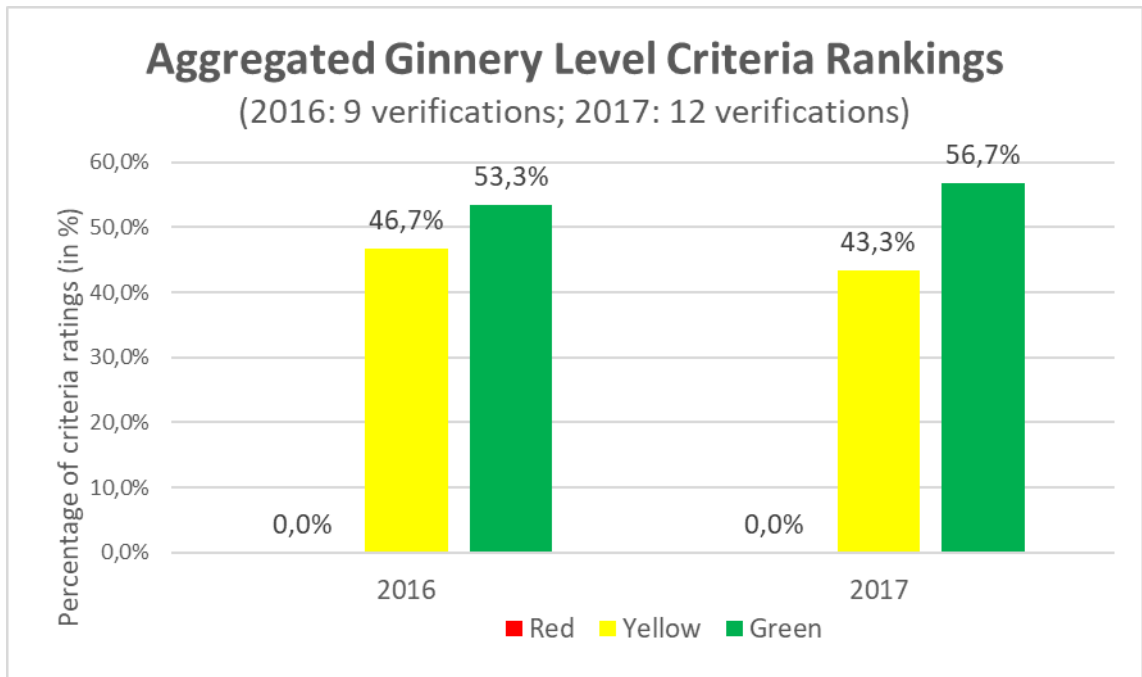
- Even though 100% of the managing entities received a “green” or “yellow” result regarding Ginnery Level Criterion 2, regulating **working hours and overtime**, only 50% of them achieved a “green” in 2017, which represents again a decrease compared to the 66,7% of 2016.
- Also concerning the **area of occupational health and safety** on ginnery level, the verification results concerning Ginnery Level Criterion 4 showed that the managing entities are still facing certain difficulties in providing all workers with appropriate personal protective equipment (PPE). The 2017 results for this criterion, with only 8,3% of “green” and 91,7% “yellow”, even deteriorated compared to 2016, with 33,3% of “green” and 66,7% “yellow”.

| Challenges <sup>9</sup>   | 2016                        | 2017                       |
|---|-----------------------------|----------------------------|
| Working hours<br>(Ginnery Level Criterion 2)  | 66,7% green<br>33,3% yellow | 50% green<br>50% yellow    |
| Occupational health and safety<br>conditions in gins<br>(Ginnery Level Criterion 4) | 33,3% green<br>66,7% yellow | 8,3% green<br>91,7% yellow |

<sup>8</sup>Due to the bi-annual verification cycle, where in year one the field verification is followed by gin verification in year two, data from 2016 and 2017 covers different managing entities and therefore is not directly comparable. In addition, a different amount of cotton companies has been verified in 2016 and 2017 and two new managing entities joined CmiA in 2017.

<sup>9</sup> Due to the bi-annual verification cycle, where in year one the field verification is followed by gin verification in year two, data from 2016 and 2017 covers different managing entities and therefore is not directly comparable. In addition, a different amount of cotton companies has been verified in 2016 and 2017 and two new managing entities joined CmiA in 2017.

The overall development of the Ginnery Level Criteria is illustrated in the chart below, which compares the aggregated verification ratings on ginnery level achieved in 2016 and 2017.



*\*See Annex C (2/2) for the overview of the 5 ginnery level criteria.*

### 3 Overview of Verified Cotton Companies in 2017<sup>10</sup>

In the beginning of 2017, 20 cotton companies have been operating as CmiA/ CmiA Organic partners in ten countries in Sub-Saharan Africa. Unfortunately, during the first half of 2017, **four cotton companies did halt their CmiA partnership:**

- In the beginning of 2017, KCCL in Tanzania decided to drastically reduce their activities due to climate change related crop failures in the 2016/17 season, and thus, put their CmiA verification on hold.
- Cargill Zambia stopped its operations with the end of the 2016/17 season in summer 2017. The company was closed by end of 2017 and assets sold to another Zambia-based business group.
- In Zimbabwe, due to government interventions into the cotton sector, the two CmiA verified cotton companies Alliance and Grafax decided to temporarily pause their activities, and in consequence halt their CmiA partnership. Thus, since the second half of 2017, there is no more CmiA verified cotton from Zimbabwe available.

In 2017, **two additional cotton companies joined CmiA** after starting their **initial verification process** in 2016 and 2017 respectively. Having successfully completed an entire verification cycle, consisting of an independent third-party verification on ginnery and field level, SAN jfs Holding in Mozambique obtained the CmiA sales license in the beginning of 2017 and SOFITEX from Burkina Faso is entitled to selling their harvest as CmiA cotton from early 2018 on.

In consequence, with the end of 2017, a total of **18 cotton companies** from **nine Sub-Saharan Africa countries** have been granted **CmiA/ CmiA Organic certificates**. They worked with **1,033,500 contracted farmers** and produced a **total volume of 496,000 mt of CmiA lint cotton**.<sup>11</sup> In the course of 2017, **six managing entities** from six different countries (from Benin, Burkina Faso, Côte d'Ivoire, Mozambique, Nigeria, and Zambia) **expressed interest** in joining CmiA. One of them went through the initial verification cycle in 2017, but did not succeed. The other five are expected to finalise their initial verification cycle (starting with the ginnery level verification) in the course of 2018 to be integrated into CmiA with the season of 2018/19.

In 2017, CmiA verified cotton companies operated in a total of **53 successfully verified ginneries**, employing 1,651 permanent and 9,454 seasonal works.

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<sup>10</sup> Cf. to Annex A and Annex B for a detailed list and map of all verified CmiA and CmiA Organic cotton companies with their corresponding sales license status.

<sup>11</sup> CmiA Facts and Figures: <http://www.cottonmadeinafrica.org/en/materials/marketing-communication#press-kit>

## 4 Farmer trainings provided by CmiA Cotton Companies

In the season of 2016/17, a total of **1,198,073 attendees participated in farmers trainings** offered by CmiA verified cotton companies.

In reference with the total CmiA farmer base of 1,033,500 farmers in 2017, it is important to understand that some farmers participated in more than one training measure.

Farmer trainings are key to ensure proper implementation of the CmiA standard. **Topics** regularly trained include:

- Good Agricultural Practices(GAP), like land preparation, planting, thinning, gap filling
- Conservation techniques to improve soil fertility
- Integrated Pest Management (IPM), with special focus on scouting and spraying
- The proper use and storage of pesticides as well as the disposal of the empty chemicals containers
- Harvest and post-harvest handling techniques and grading of seed cotton
- Child labour, Gender and HIV
- Business Skills, like the Farmer Business Schools concept and cotton agronomy topics in general.

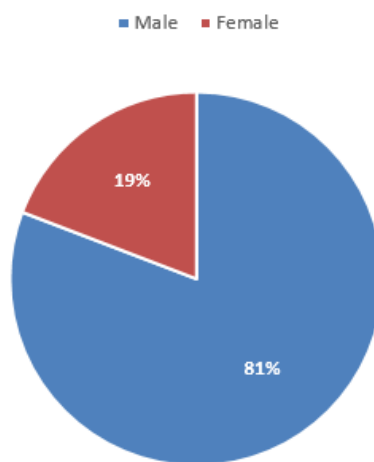
It is important to point out that some trainings (like GAP) consist of several training sessions that are conducted in accordance with the activities on the field throughout the season. Some trainings, on the other hand, for example Child labour, Gender and HIV, are usually integrated into other agronomic training sessions and transferred together.

The chart below indicates the training topics in which the CmiA farmers participated in the season of 2016/17:



With the given share of 17% of female farmers amongst the total CmiA farmer base, training data indicates a slight overrepresentation of women in training session. This is a positive sign with regard to a gender-balanced support for farmers, though still a lot can be done to further strengthen the role of women in the cotton sector and society.

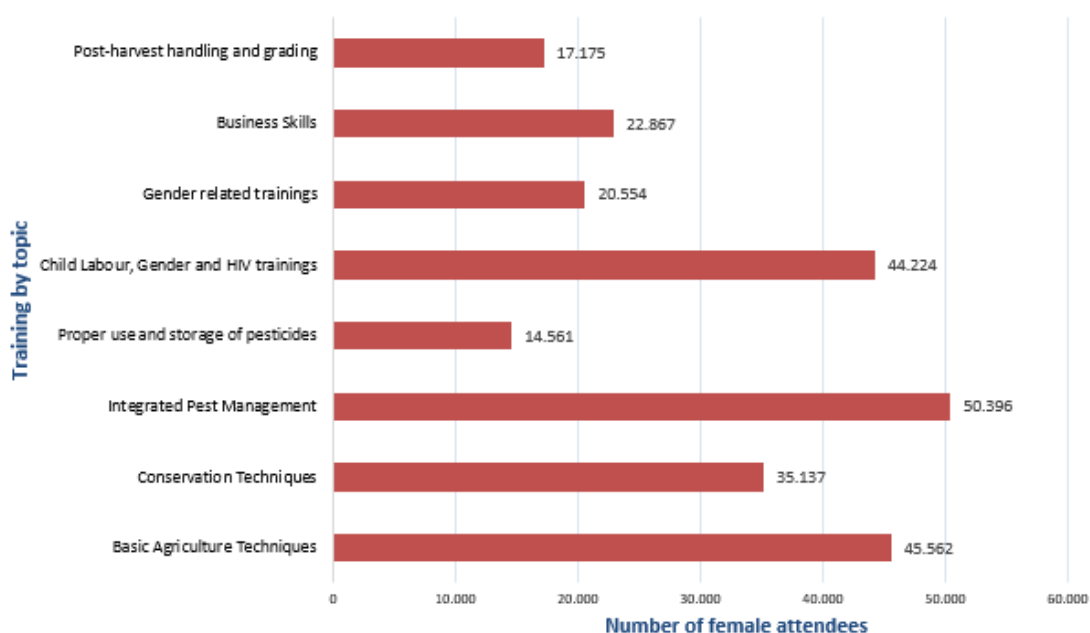
### Participation in CmiA Farmer Trainings by Gender



| Gender | CmiA farmers in 2017 | Nr of attendees in trainings in 2017 |
|--------|----------------------|--------------------------------------|
| Male   | 860,105              | 968,151                              |
| Female | 173,378              | 229,922                              |

The graph below breaks down the trainings women participated in:

### Female Attendees in Trainings



## 5 Implementation Support by AbTF

From 2015 until the end of 2017, the Aid by Trade Foundation implemented a project to introduce and roll-out the use of bio-pesticides in Zambia and Tanzania, which contributes to the enhanced activities with regard to **Integrated Plant and Pest Management (IPPM)**. In 2017, the project funded by the C&A Foundation created and printed hand-out info materials for farmers based on the IPPM Picture Block developed in 2016. Furthermore, machinery for a (semi-)professional processing of bio-pesticides plant materials was purchased by partners in Tanzania and Zambia, and newly established tree nurseries at two of the cotton companies in Tanzania delivered more than 27,000 neem tree saplings to cotton farmers and their communities.

In 2017, the **Cotton Expert House Africa (CHA)** has become operational as successor to COMPACI<sup>12</sup>. The main tasks of CHA are to support cotton companies to properly implement the CmiA Standards and to help them and other managing entities with a sustainability mission across Sub-Saharan Africa to acquire additional funds for training and support measures. At the end of 2017, the German Ministry of Economic Cooperation and Development (BMZ) confirmed a four-year grant aiming to support projects for sustainable cotton production across Africa. Two **r**Regional CHA Offices have been set up – the office in Ouagadougou, Burkina Faso, supports the Western and Central African Region, and the office in Nairobi, Kenya, is responsible for the Eastern and Southern African countries. A first step to ensure a continued support and to safeguard the ‘COMPACI heritage’ was the set-up of a training material knowledge platform.

## 6 AbTF Verification Management Activities

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

AbTF takes over the roles of the verification management and the overall verification monitoring (oversight). In 2017, the AbTF verification management has been responsible of the following activities:

### a) Coordination/ Organization of Verification Missions:

- In 2017, **23 regular CmiA verification missions** have been coordinated – eleven field level and twelve ginnery level verifications. Additionally, a field level verification was done in 2016, a so called ‘follow-up verification’<sup>13</sup>. Furthermore, an additional verification has been done for one of the Burkina Faso partners to assure that their transition from GMO seeds to non-GMO seeds was effectively implemented on the ground.

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<sup>12</sup> The Competitive African Cotton Initiative (COMPACI) ran from 2008 till 2016, funded by the Bill & Melinda Gates Foundation, the German Ministry for Economic Cooperation and Development (BMZ) and the Aid by Trade Foundation. It aimed to enable smallholder farmers to enhance productivity of cotton production, thus improving their income and living conditions.

<sup>13</sup> A follow-up verification is always done on request of the CmiA partner and at its own charge. It serves for the subsequent check of single development criteria that have not been met according to the companies’ own expectations during the past regular verification.

- In 2017, **two additional cotton companies** (SAN jfs Holding, Mozambique, and SOFITEX, Burkina Faso), which started their initial verification cycle in 2016 and 2017 respectively, did successfully pass it and obtained the permission to trade their lint cotton under the CmiA label.
- **One candidate** started its first verification cycle in 2017 but did not pass the second verification mission (a field verification) in late 2017. Subsequently, they did not obtain the CmiA certificate.
- **Five additional candidates** (from Burkina Faso, Côte d'Ivoire, Mozambique, Nigeria, and Zambia) applied for a CmiA certificate and are scheduled to begin their first verification cycle in 2018.
- In order to assure annual verification visits, the **verification management process** was reorganised in 2015. The objective was from 2015 on, to conduct one verification mission – altering field and ginnery – per partner per year. This more consistent verification practice has proven to be effective, and the reorganization process was successfully completed in 2017.
- AbTF offered continuous support and guidance to existing and newly introduced partners to meet the CmiA standard requirements.
- AbTF also worked to support the facilitation of the CmiA verification missions. The 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 of the year. In some countries, the two necessary verification missions to obtain a CmiA certificate are taking place in two different calendar years.

In **Eastern and Southern Africa** (i.e. Southern Hemisphere), 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** (i.e. Northern Hemisphere), field verifications can take place in the third quarter of the year (approx. August to October), while ginneries usually operate from January on.

#### b) Data Management:

- Collection and quality control of the annual **self-assessments** from a total of **27 cotton companies**<sup>14</sup>.
- Performance analysis and communication based on data both from self-assessments and verification reports.
- AbTF plans to introduce a web-based data management software solution which at a later stage will enable the online submission of self-assessments and verification reports. Due to capacity constraints, the process has been slowed-down and will only be completed in 2018.

<sup>14</sup> The total of 27 self-assessments include the initial 20 CmiA partners, the two newly joined companies (SAN jfs Holding, Mozambique, and SOFITEX, Burkina Faso) plus five of the candidates.

**c) Verification Quality – Monitoring and Training:**

- Cooperation with three independent verification organizations (EcoCert, AfriCert and Control Union) and their pool of **19 trained verifiers**.
- Regular conduction of initial and refreshing **trainings** for all verifiers on the CmiA verification criteria for farm and ginnery level. Additionally, monitoring missions are undertaken by AbTF to evaluate the auditors. Such monitoring missions are regularly conducted in order to ensure a high audit quality and consistent interpretation of the CmiA standard.
- Quality control and follow-up on **23 verification reports** and corresponding management plans for continuous improvement.
- Four witness audits have been done through the AbTF verification manager during four ginnery verification missions in Benin, Burkina Faso, Cameroon, and Côte d'Ivoire.

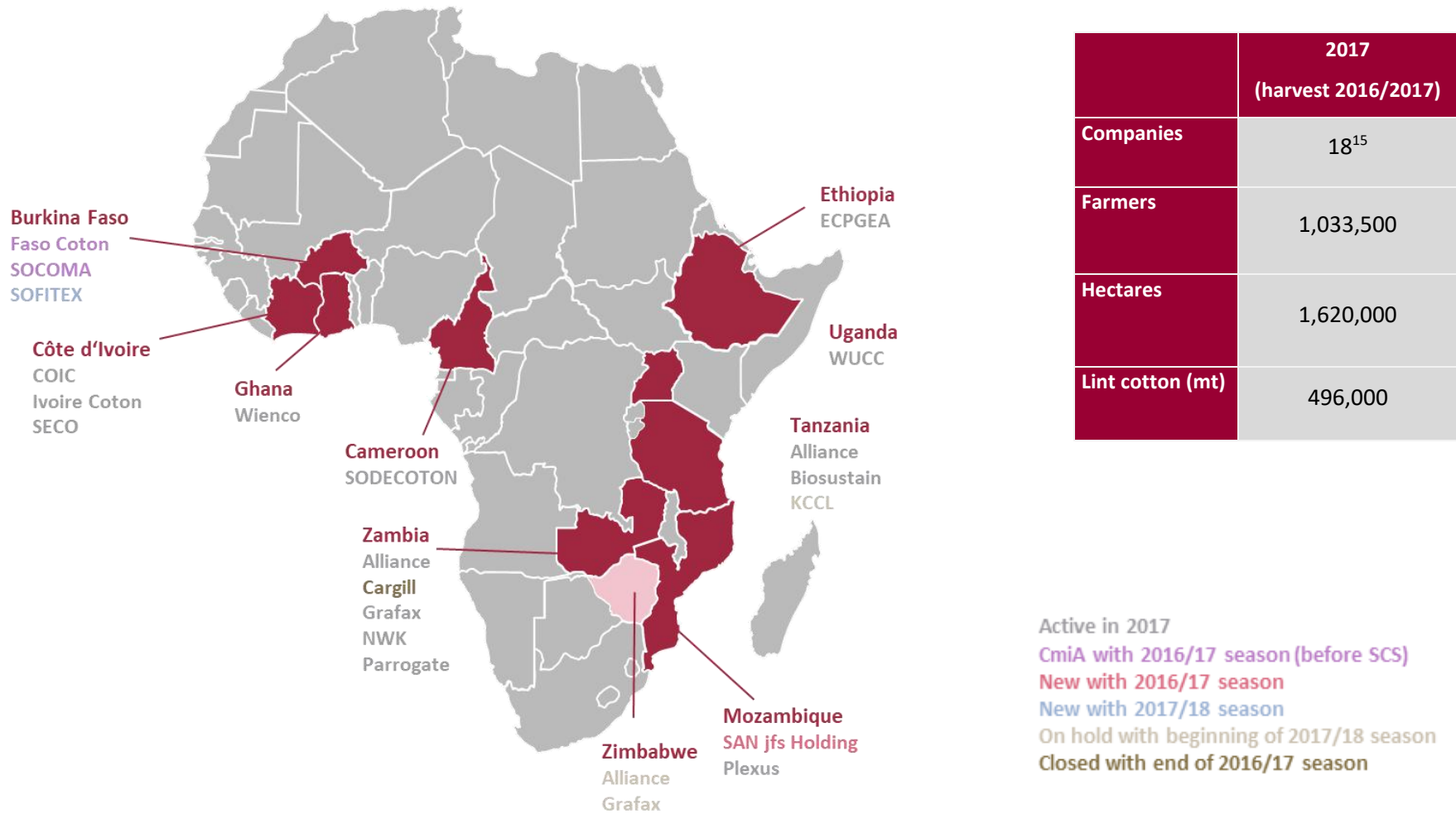
**d) Standard Development, Interpretation and Guidance:**

During 2017, the AbTF was still in an on-going revision process of the CmiA, CmiA Organic and SCS standards. The development of the standards 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-intensive integrated plant and pest management, 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)



ANNEX A. Map of Verified Partner Cotton Companies (CmiA and CmiA Organic) in 2017



<sup>15</sup> By the end of December 2017 there have been 18 verified cotton companies; while there have been 20 cotton companies as of June 30, 2017.

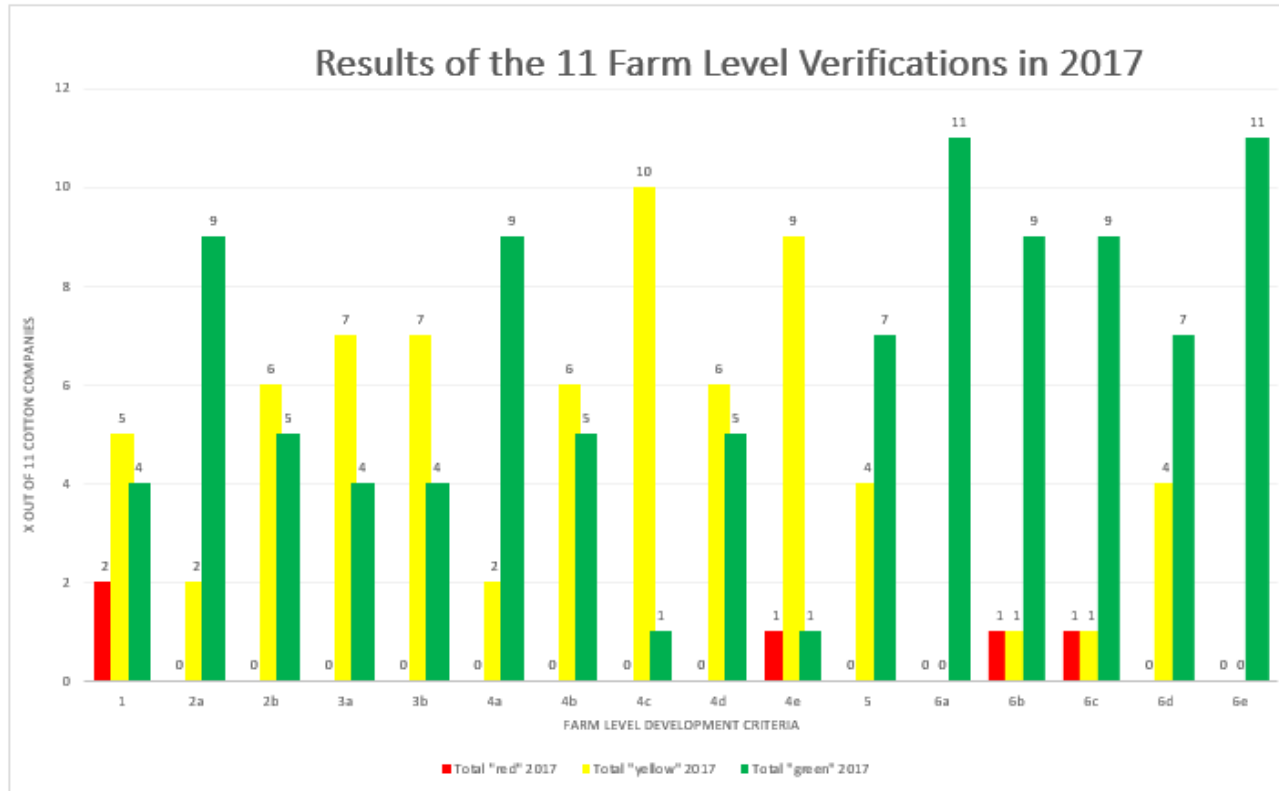
## Annex B. List of Verified CmiA Cotton Companies with Respective Sales License Status in 2017

| #  | Country       | Cotton Company            | Verification Missions in 2017 | CmiA Sales Licence Status in 2017                |
|----|---------------|---------------------------|-------------------------------|--|
| 1  | Burkina Faso  | Faso Coton                | Field                         | New CmiA licence until 31.12.2019                |
| 2  | Burkina Faso  | SOCOMA                    | Ginnery                       | New CmiA licence until 31.12.2018                |
| 3  | Burkina Faso  | SOFITEX                   | Field                         | New, first licence until 31.12.2019              |
| 4  | Cameroon      | SODECOTON                 | Ginnery                       | Valid licence until 31.12.2018                   |
| 5  | Côte d'Ivoire | COIC                      | Ginnery                       | Valid licence until 31.12.2018                   |
| 6  | Côte d'Ivoire | Ivoire Coton              | Field                         | Licence confirmed until 31.12.2019               |
| 7  | Côte d'Ivoire | SECO                      | Field                         | Licence confirmed until 31.12.2019               |
| 8  | Ethiopia      | ECPGEA                    | Ginnery                       | Valid licence until 31.12.2018                   |
| 9  | Ghana         | Wienco (Masara)           | Field                         | Licence confirmed until 31.12.2019               |
| 10 | Mozambique    | Plexus                    | Ginnery                       | Valid licence until 30.06.2018                   |
| 11 | Mozambique    | SAN jfs Holding           | Field                         | New, first licence until 30.06.2019              |
| 12 | Tanzania      | Alliance                  | Field                         | Licence confirmed until 30.06.2019               |
| 13 | Tanzania      | Biosustain (CmiA Organic) | Ginnery                       | Valid licence until 30.06.2018                   |
| 14 | Uganda        | WUCC                      | Ginnery                       | Valid licence until 31.12.2018                   |
| 15 | Zambia        | Alliance                  | Field                         | Licence confirmed until 30.06.2019               |
| 16 | Zambia        | Cargill                   | Field                         | Licence confirmed until 30.06.2019               |
| 17 | Zambia        | Grafax                    | Ginnery                       | Valid licence until 30.06.2018                   |
| 18 | Zambia        | NWK                       | Ginnery                       | Valid licence until 30.06.2018                   |
| 19 | Zambia        | Continental (Parrogate)   | Ginnery                       | Valid licence until 30.06.2018                   |
| 20 | Zimbabwe      | Alliance                  | Field                         | Licence confirmed until 30.06.2019 <sup>16</sup> |
| 21 | Zimbabwe      | Grafax                    | Ginnery                       | Valid licence until 30.06.2018 <sup>16</sup>     |

<sup>16</sup> Please note: Company currently not operating.

### Annex C (1/2). 2017 Performance in CmiA Farm Level Development Criteria

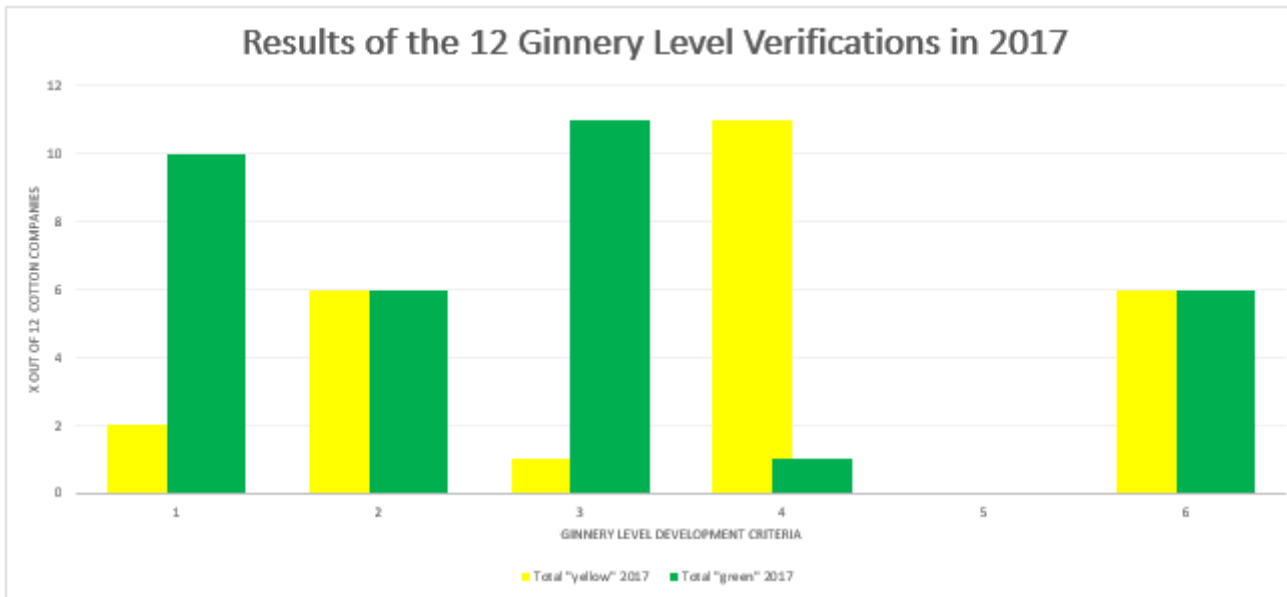
In accordance with the established CmiA traffic light system



|    |  |
|----|--|
| 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   |

**Annex C (2/2). 2017 Performance in CmiA Ginnery Level Development Criteria**

In accordance with the established CmiA traffic light system



|   |   |
|---|---|
| 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 | <i>Freedom of association and bargaining for employees in ginneries</i><br><br><i>This criterion is not applicable any more, as is was upgraded from the Development Criteria to the Exclusion Criteria</i> |
| 6 | Environmental management plan   |