



## Verification Governance

Cotton made in Africa (CmiA) and other  
Standards of the Aid by Trade Foundation

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## Document Management

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## 1. Purpose of the verification governance document

1. The Verification Governance document defines the main roles and responsibilities of the different organizational entities within the scope of verification of the standards of the Aid by Trade Foundation and describes the agreed policies and procedures for an objective, independent and credible verification system.

2. The Verification Governance document applies to and is to be followed when verifying the following standards of the Aid by Trade Foundation:

- I. The Cotton made in Africa standard (CmiA);
- II. The Smallholder Cotton Standard (SCS);
- III. The Cotton made in Africa Organic standard (CmiA-Organic).

## 2. Background

### 2.1 What is Cotton made in Africa?

3. Cotton made in Africa (CmiA) is an Aid by Trade Foundation (AbTF) initiative that was established in 2005. Its objective is to help smallholder farmers help themselves through trade and to improve the social, ecological, and economic living conditions of smallholder cotton producers and their families in Sub-Saharan Africa.

4. The trademark "Cotton made in Africa" (CmiA) is sold to buyers and consumers as a baseline sustainability concept with the aim to improve the livelihoods of African cotton farmers and to work for more sustainable cotton production in African countries. The CmiA sustainability claim focuses on the supply and value chain in the participating African countries, i.e. the growing and ginning of cotton, and thus the standard provides the basis for uninterrupted traceability from farm to gin.

5. The CmiA lint is sold further downstream, with Chain of Custody (CoC) Guidelines ensuring further uninterrupted traceability up to the spinning mills. Depending on the choice of brands or retailers, cotton verified under the standards of the AbTF can be processed to garments in a Mass Balance (MB) or a Hard Identity Preserved (HIP) system. Those systems are further detailed in the CoC Guidelines, available on [www.cottonmadeinafrica.org](http://www.cottonmadeinafrica.org).

6. Scope of the CmiA sustainability claim in the cotton value chain:

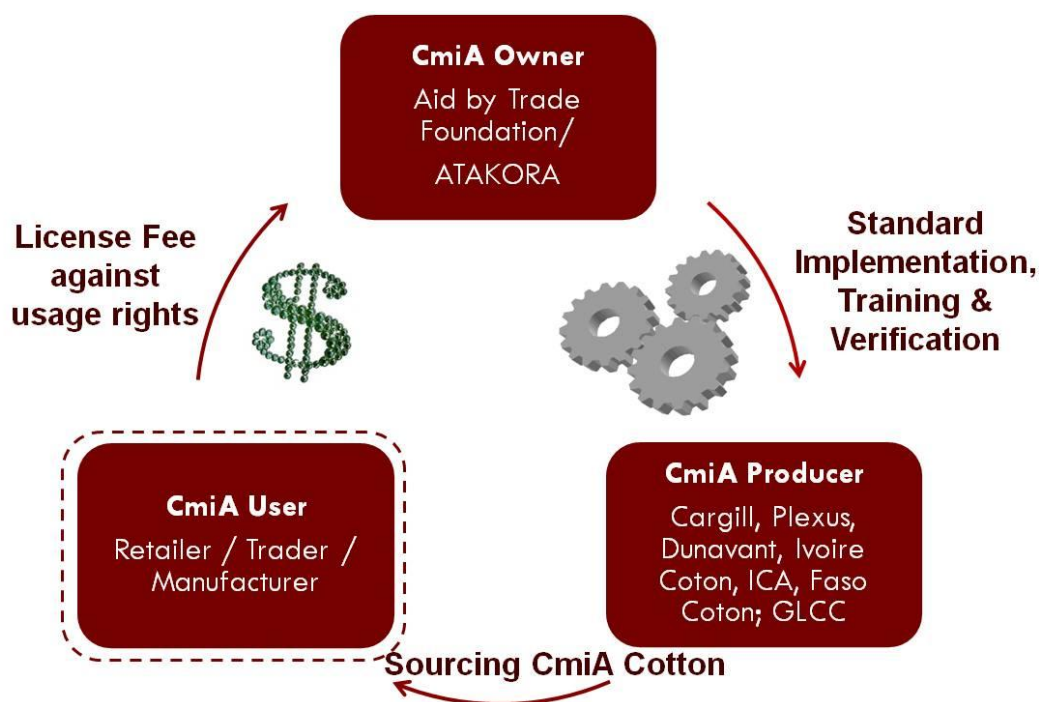


7. The CmiA claim is more thoroughly defined in a criteria matrix that includes social, environmental and economic aspects for the growing and ginning of cotton and production/ treatment of cotton seed.

8. In general, the CmiA Business Model stands on the following three main pillars:

- I. Third party Verification of CmiA Criteria Matrix, confirming the product's sustainability claim and creating its USP

- II. Marketing & Sales: Licensing fees paid for by retailers who sell the product via communication of its USP
- III. Targeted investments for continuous improvement, e.g. in agricultural qualification schemes, improving the product, its USP and the livelihood of its producers.



## 2.2 What is the scope of the CmiA criteria matrix?

9. The criteria matrix focuses on all main actors of the CmiA cotton supply chain who are in direct contact with cotton seed, seed cotton and/or lint, i.e. farmers, ginneries and cotton companies.
10. Other actors in the textile value chain (traders, spinners, garment producers etc.) are not part of CmiA's scope, but are nevertheless subject to Chain of Custody (CoC) Guidelines to be found at [www.cottonmadeinafrica.org](http://www.cottonmadeinafrica.org).
11. The Criteria Matrix consists of three parts, supplemented by management criteria:
  - i. Exclusion criteria: Exclusion Criteria are defined as unacceptable practices relevant to all actors of the CmiA Unit.
  - ii. Farm level sustainability criteria: These criteria focus on farmers as well as cotton business related interactions between the main actors. Criteria are



categorized as Green (good or sustainable), Yellow (improvement needed), and Red (not sustainable).

- iii. Ginnery sustainability criteria: These criteria should be applied in ginneries as well as for employees working in cotton seed treatment. They focus on social aspects, including health and safety and refer to the application of national law. Criteria are categorized as Green/Yellow/Red.
- iv. Management criteria: This part is relevant for the internal management system of the CmiA Unit, to be implemented by the Managing Entity.
- v. Organic Criteria: Description of additional requirements (management, ginnery and farm level) which have to be met in order to claim CmiA cotton as “CmiA-Organic” cotton.

### 2.3 Why does CmiA need a verification system?

12. The marketing objective of CmiA is to build a credible trademark "Cotton made in Africa". Verification represents an important means to gain confidence on the expected credibility, which is needed to communicate CmiA's social and ecological USP. Therefore, the verification system includes:

- i. regular self assessments by the Managing Entity,
- ii. regular external verification of the Managing Entity by independent third party verifiers,
- iii. random inspections of field and gin verifications.

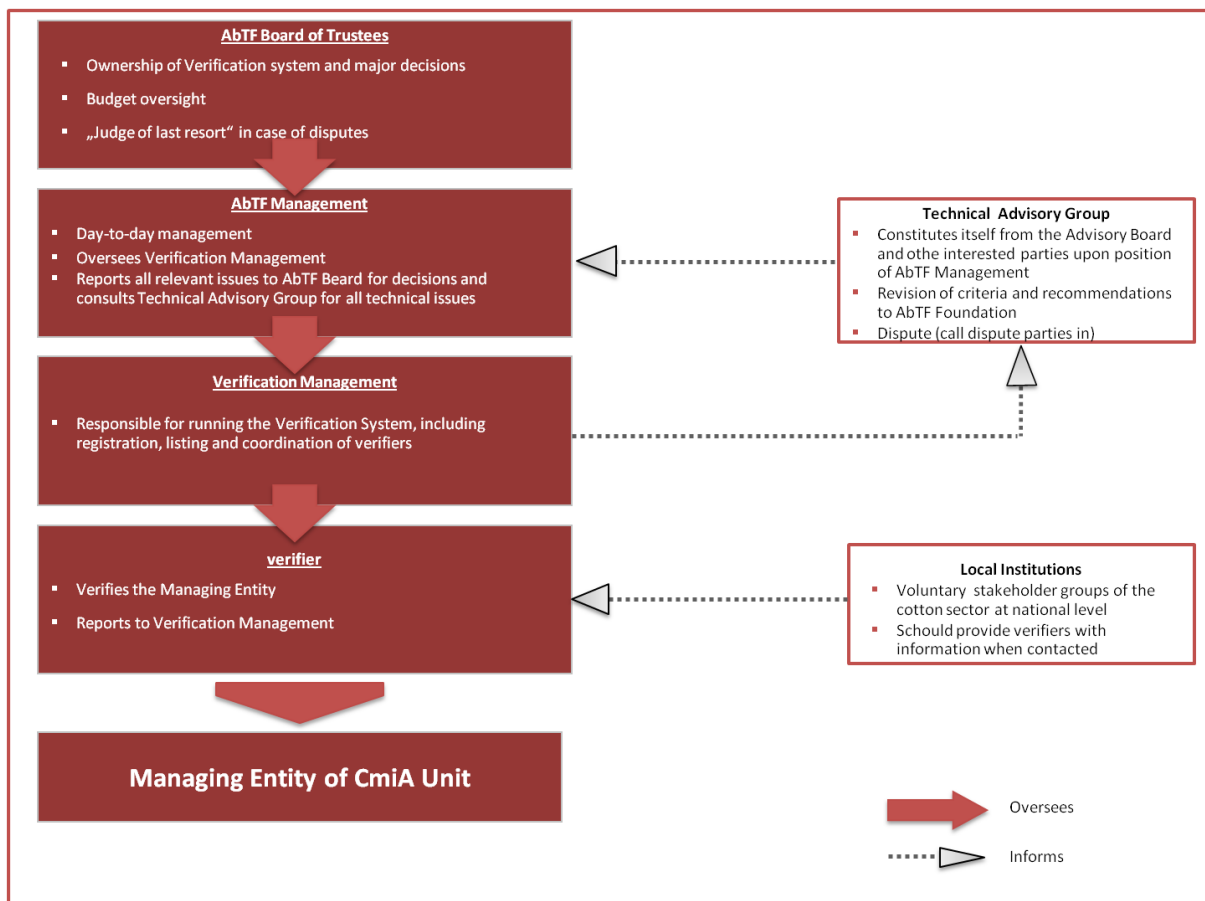
13. Verification is required to guarantee comparability and consistency as key elements of credibility, to identify a status quo as well as needs of improvement with regard to the implementation of the criteria matrix.

14. However, CmiA verification does not issue a certificate. With CmiA being a baseline standard for the mainstream market, every two years verification by independent 3<sup>rd</sup> party verifiers focuses on confirming the overall results of the yearly self assessment by the Managing Entities and verifying continuous improvement priorities outlined in the management plan. A license to sell CmiA cotton –either conventional or organic- is issued after successful verification.



### 3. Key roles and responsibilities

#### 3.1 Overview governance and main responsibilities



### **3.2 The Aid by Trade Foundation Board of Trustees**

15. The Aid by Trade Board of Trustees (in the following referred to as "AbTF Board") is the highest decision making body and consists of leading personalities from key non-governmental and academic institutions as well as business.

16. The AbTF Board has ownership of the implementation of the Verification Scheme. The AbTF Board generally advises and oversees the Verification Management.

### **3.3 The Aid by Trade Foundation Management**

17. The Aid by Trade Foundation Management provides sufficient information to the Managing Entity to understand the requirements for entering the CmiA system, i.e. completion of self assessment, rating requirements, and makes obligations and potential benefits transparent to the stakeholders.

18. The Aid by Trade Foundation Management provides access to completed and submitted self assessments for Verification Management and verifiers.

19. Verification fees – except for Organic certification (e.g. EC No. 834/2007, GOTS) - including travel and accommodation expenses, shall be paid after completion of the verification by the Aid by Trade Foundation after authorization of the Aid by Trade Foundation Management excluding follow-up verification visits that are to be paid by the Managing Entity (refer to chapter 5). Payment to verifiers is facilitated after validation of the report from Verification Management.

20. As the operational body, the Aid by Trade Foundation Management provides the Verification Management with suitable and valid data to plan the verification events for the subsequent verification period.

21. The Aid by Trade Foundation Management approves the budget as well as the business plan for Verification Management.

### **3.4 Technical Advisory Group**

22. The Technical Advisory Group consists of experts of all main stakeholder groups: NGOs, cotton companies, ginneries, producers, trade, retailers, and donor organizations. It constitutes itself from the Aid by Trade Advisory Board in cooperation with the Aid by Trade Management. Additional interested parties can be nominated upon proposition of the Aid by Trade Foundation Management or the AbTF Advisory Board.

23. The main tasks of the Technical Advisory Group are to revise the criteria and make respective recommendations on amendments to the Aid by Trade Foundation Management, and - as part of the dispute resolution process - to advise the Aid by Trade Foundation Management upon request.

24. The Technical Advisory Group is also responsible for recommending those organic certifications (EC No. 834/2007, GOTS) that may be accepted for the CmiA Organic label (benchmarking).

25. The recommendations on amendments to the matrix, as well as benchmarking results, are reported to the Aid by Trade Management who proposes them to the AbTF Board, which makes the final decision on amendments.

26. In case of complaints, the Technical Advisory Group may also play a role in the Verification Scheme as technical advisor or mediator.

### **3.5 Verification Management**

27. The Verification Management is responsible to run the Verification Scheme, which includes registration, listing and coordination of verifiers. It also includes the drafting of the annual business plan for consideration and approval by Aid by Trade Foundation Management.

28. Verification Management is responsible for identifying, contacting and contracting of the allocated Verifier to schedule and undertake the verification within the required time.

29. Verification management safeguards and controls the quality of verifiers by means of (i) theoretical and practical training, (ii) validation of verification reports, and (iii) random inspections of field and gin verifications.

30. Verification Management collects and aggregates country based reports based on Verification Reports. Summary results and analysis are subsequently reported to the AbTF Management.

31. Verification Management proposes improvements to the Verification Scheme to the AbTF Management considering recommendations of the Technical Advisory Group and/or analysis from verifications.



32. Verification Management offers mechanisms with which verifiers can be kept up to date with verification requirements, e.g. modifications of content and concept by AbTF Management.

33. Verification Management resolves cases of conflict or escalates them to the AbTF Management, if appropriate.

### **3.6 Verifier**

34. The verifier is responsible to verify the overall results of the self assessment of the Managing Entity of the CmiA Unit, including field checks of members of the Managing Entity. Verification also covers evidence on number of members of the CmiA Unit, hectares of CmiA cotton cultivated, yield and volume of seed and lint cotton.

35. The verifier is contracted and coordinated by Verification Management.

36. The verifier decides on the sample selection for verification, based on a risk-based approach, including criteria that are defined by the impact assessment, such as specific control groups, and submits the report to the Verification Management as well as to the Managing Entity. The verifier contacts local institutions for relevant information prior to or during verification.

37. Verifiers ensure to be kept up to date with verification requirements through the mechanisms offered by the Verification Management.

38. After completed verification the verifier sends the respective invoice to Verification Management.

### **3.7 CmiA Unit and Managing Entity**

39. Members of the CmiA Unit are all important participants relevant to the CmiA claim, thus the criteria matrix: farmers (including seed producers), ginneries and cotton companies.

40. Compliance of a CmiA Unit is managed by the "Managing Entity" which may be, inter alia, a cotton company, a ginnery or an institution within the cotton sector that has the power to influence policies in the cotton supply chain. Main requirement is the ability to exercise downstream management control. The Managing Entity is the first point of contact for the verifier.



41. The Managing Entity takes the ultimate decision about who will be a CmiA farmer. CmiA farmers can either be all contracted farmers respectively, all contracted farmer associations by a cotton company or ginnery. Or, CmiA farmers can be farmers who are specifically identified to participate in CmiA. All ginneries processing CmiA seed cotton are automatically members.

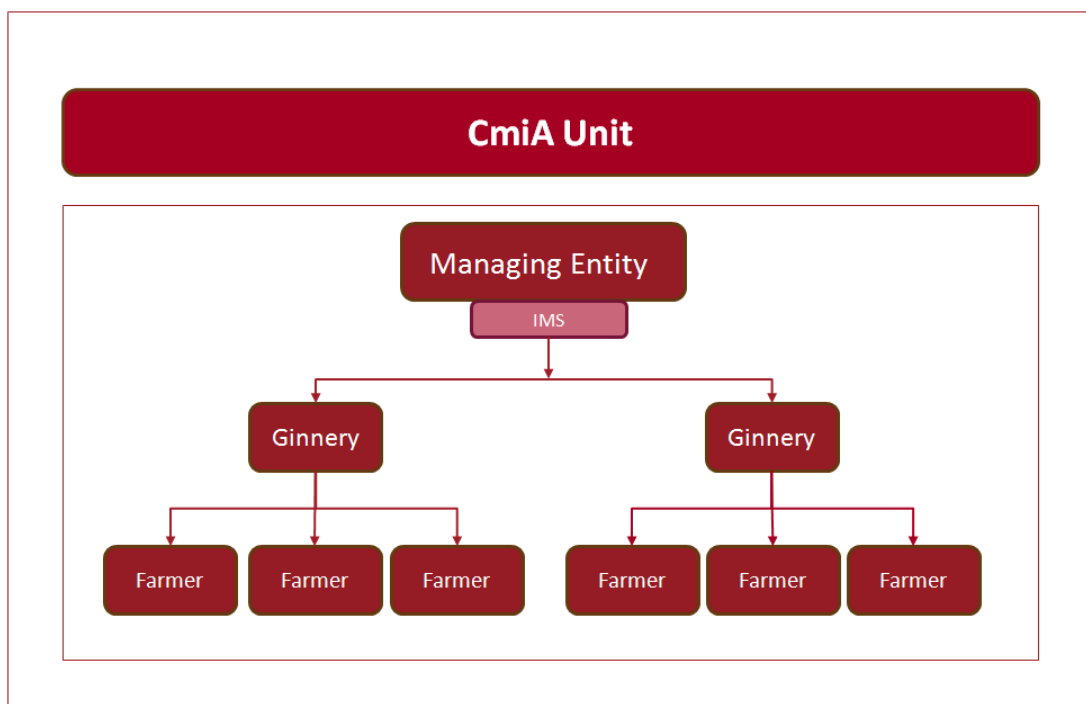
42. An up to date list of all CmiA farmers needs to be made available to the verifier. In addition, for re-verifications a list of all CmiA farmers and ginneries need to be made available, who have been growing or processing CmiA cotton since the previous verification, regardless of whether they do, or do not grow or gin cotton in the year of verification.

43. The Managing Entity of the CmiA Unit bears the responsibility for compliance with the requirements of the criteria matrix. The Managing Entity commits to implement an internal monitoring mechanism in order to control compliance of the members of the CmiA Unit.

44. The Managing Entity is responsible for conducting the initial and subsequent annual Self Assessments and submitting it to the Aid by Trade Foundation. The Self Assessment needs to annually inform about the size of the CmiA Unit and changes in its structure, if applicable.

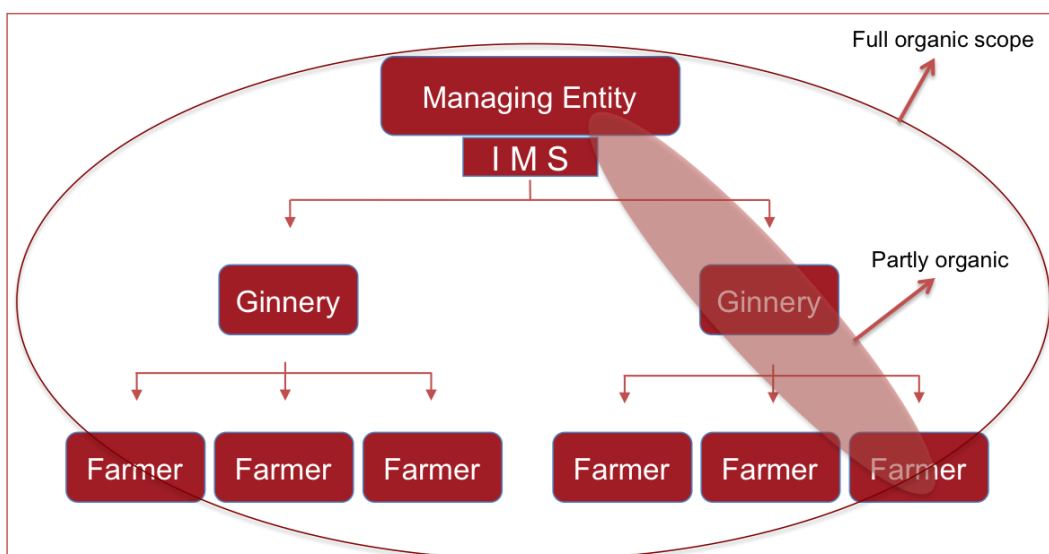
45. The Managing Entity ensures that required information and evidence are available to the verifier. The Managing Entity also provides sufficient and appropriate assistance to the verifier in order to ensure an efficient and effective verification. This includes in kind contributions such as the provision of staff with local geographical knowledge as well as transportation.

46. Overview CmiA Unit



3.8 CmiA Organic Units and Managing entity

47. A CmiA Organic Unit is a Group of CmiA Farmers which cultivates cotton applying the principles of organic farming. Such a Unit could be formed as a part of a bigger CmiA Unit or a CmiA Unit converts as a whole to CmiA Organic.





48. The geographical and organizational scope needs to be clearly defined and documented in a way that the verifier is able to verify the CmiA Organic Unit.

49. There is no limitation with regards to the amount of farmers that convert to organic. However the Managing Entity must define in their conversion strategy how they would structure the Organic Unit. (e.g. organic farmer groups, organic regions or else).

50. Once land/plots start to convert, the whole logistical and commercial supply chain linked to those plots has to comply with the CmiA Organic Exclusion Criteria and Performance Criteria, even if for the first two harvests the seed cotton is not yet “organic”. This will enable the Managing Entity to implement policies and procedures as well as the required capacity building.

51. The Managing Entity is responsible for the financing of the Organic verification (EC No. 834/2007, GOTS). Cost to verify the CmiA criteria beyond captioned organic verification will be borne by AbTF.

## 4. Continuous improvement mechanisms

### 4.1 Criteria Matrix

52. The criteria matrix focuses on performance as well as management requirements. The management requirements formulate the framework within which the performance requirements are implemented. Criteria are adapted to basic management requirements. This basically means that "green" can only be reached if a management plan regarding the specific principle is in place.

53. The standards of the Aid by Trade Foundation seek to promote systemic compliance, not a "check-list" or "inspection-day" approach. For this reason, the management system requirements of the matrix are important and the Managing Entity should integrate the requirements of the criteria matrix into its processes in order to reach green. This approach implies that the burden of proof is on the Managing Entity for the respective verified CmiA Unit.

54. The concept of continuous improvement is reflected in the traffic light criteria of the matrix.

### 4.2 Entry and progress requirements

55. The self assessment is the potential candidate's statement of interest to join the CmiA system and to become subject to verification. It is also a declaration of compliance with all "exclusion criteria".

56. As a prerequisite to join CmiA the Managing Entity of a CmiA Unit has to implement and maintain sufficient management capacity and resources to fulfill the requirements of the management criteria as lined out in the criteria matrix.

57. In addition, the Managing Entity of the Unit has to have procedures, records and controls in place to segregate lint cotton produced under one of the AbTF standards (CmiA, SCS, CmiA Organic) from cotton produced under another standard of the AbTF, produced by another cotton standard<sup>1</sup> or conventional cotton. Segregation may be physical (e.g. separate production lines) or temporal (e.g. separate production runs).

i. \_\_\_\_\_  
<sup>1</sup> with the exception of required organic standard verification (EC No. 834 / 2007; GOTS) with CmiA Organic





58. Where subcontractors are used (e.g. for transport, toll ginning), the respective Managing Entity must demonstrate that the same segregation procedures as detailed in the above paragraph are implemented. An inclusion of subcontractors in the verification is at the discretion of the lead verifier, particularly in the case of reasonable doubt of compliance.

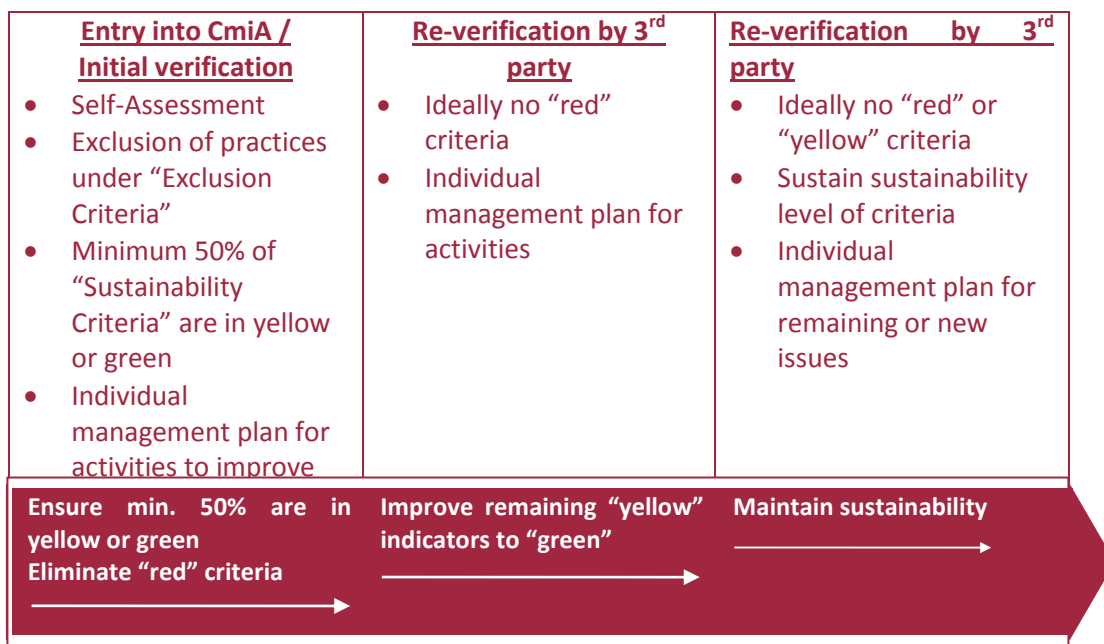
59. The Aid by Trade Foundation formally validates the self assessment and registers the Unit with CmiA. If no more than 50% of the evaluated practices show "red" in the traffic light assessment, the CmiA Unit receives the initial third party verification visit. Only if the third party verification is completed successfully, the Managing Entity receives the formal license to sell CmiA cotton for the entire CmiA Unit.

60. The self assessment has to be completed annually by each Managing Entity and sent to and validated by the Aid by Trade Foundation. Managing Entities in Eastern and Southern Africa's self assessments are to be sent to AbTF by July 31<sup>st</sup>, and those of Managing Entities in Western Africa, Tanzania, Ethiopia and Uganda by January 31<sup>st</sup> of each year.

61. The self assessment contains information on the structure of the CmiA Unit as well as facts and figures concerning the previous (completed) as well as the ongoing season (expected), e.g. the types and numbers of contracted farmers, total hectare of cotton planted, yield and tonnage of processed CmiA cotton and numbers of farmers trained. Also data on pesticide and other inputs provided or pre-financed to farmers are to be included.

62. Over time, progress requirements foster the continuous improvement approach. Each re-verification needs to confirm the improvement of ideally at least one red and/or yellow criterion. In case all reds have been removed, yellow criteria should be improved towards green. In case of no improvements or regress, the license may not be issued and the Managing Entity is required to consult with the management of the Aid by Trade Foundation. In the case where all criteria show green, sustainability should be maintained and proved that management systems are in place to identify issues and implement improvement.

63. Overview of ideal continuous improvement process:



64. The exclusion criteria as well as the criteria matrix are reflected in the Self Assessment.

65. Based on the outcome of the Self Assessment as well as the verification, the Managing Entity should be able to identify the areas of improvement (e.g. red practices to be rectified) and prioritize them. These need to be transferred into a management plan to remove red and yellow criteria. The prioritization will help the Managing Entity to plan the improvements. The planned improvements shall be part of the Management Plan and subject to the regular verification.

66. Re-verifications check the level of compliance, monitor the continuous improvement process and allow a continuous development of management plans. Improvements and other developments are reflected in the next year’s Self Assessment.

### 4.3 The CmiA Organic “Label”

67. The Aid by Trade foundation has developed a set of criteria, which describe required compliance (Exclusion Criteria) and performance a CmiA Organic Unit has to achieve in order to sell their organic lint as CmiA Organic.

68. To continue following the successful philosophy of management approach and continuous improvement of the CmiA and SCS standards, the criteria prescribe the



minimum requirements and key compliance indicators for organically produced cotton to become CmiA Organic cotton.

69. The Criteria Matrix is not a complete technical organic standard, nor does it substitute any “organic” certification. The Managing Entity of a CmiA Organic Unit would still have to go through an Organic certification with one of the recommended Organic Certifications (EC No. 834/2007, GOTS).

70. The CmiA Organic criteria have to be treated as supplemental to the CmiA criteria Matrix. Thus a CmiA Organic Unit must also pass the regular CmiA verification.

71. Failing the CmiA Verification will also cause the loss of the license to sell CmiA Organic. However any other organic certification the Unit might hold will not be affected.

72. Failing the CmiA Organic verification part will cause the loss of the license to sell CmiA Organic lint, which however can still be traded as CmiA lint as long as this verification has been successful.

73. A CmiA Organic verification will always be managed in the same way as regular CmiA verifications. A separate CmiA Organic verification is not envisaged. AbTF finances the additional effort for the CmiA Verifiers.

74. All policies and procedures in this document are also applicable and binding for the Managing Entity of the Organic Unit.

75. A CmiA Unit, which also is or has a CmiA Organic Unit, automatically becomes a Chain of Custody (CoC) partner. This means that compliance to the CoC-HIP (Hard Identity Preserved) standard is required, as defined in the “Chain of Custody Guidelines” document to be found on [www.cottonmadeinafrica.org](http://www.cottonmadeinafrica.org). The verification against the CoC-HIP Guidelines will form part of the regular CmiA Organic Verification.

#### **4.4 Benchmarking and Organic Certification**

76. The Aid by Trade Foundation provides a list of organic certification schemes or regulations, which are acceptable for CmiA Organic.

77. In order to sell CmiA Organic the Managing entity must hold a valid certification of the respective organic scheme. The license to sell CmiA Organic will lapse as soon as the organic certification expires.



78. The Managing entity has to immediately inform the AbTF about any changes of its organic certification. (EC No. 834/2007, GOTS)

79. If the organic certification (e.g. EC No. 834/2007, GOTS) does not coincide with the CmiA Organic verification the Managing Entity has to submit the result (Report) to the AbTF Verification Management. The results and report will also be submitted to the verifier.

80. In order to keep verification cost at a minimum the CmiA Verification will not cover any indicators that have already been covered in the organic certification, unless the lead verifier has reasonable doubt with regard to the compliance and/or the results of the organic certification. Any doubt and/or observations have to be communicated to the Verification Management of AbTF, which will then facilitate the discussion with the Managing Entity and the verifier prior to any CmiA Organic verification activities. This shall not affect the regular CmiA verification.

81. AbTF favors a combined verification/certification by qualified and accredited (where necessary) auditor/verifier.

#### **4.5 Verification of the Smallholder Cotton Standard**

82. The Smallholder Cotton Standard (SCS) is a GMO-neutral smallholder cotton standard, which may be marketed at business to business (B2B) level only.

83. All formal and procedural rules and regulations detailed in the CmiA Verification Governance and applying to the verification of CmiA will, with the above mentioned limitations and the exemption of the CmiA verification criteria, also apply for the Smallholder Cotton Standard (SCS). When verifying SCS, the verifier will follow the latest available version of the SCS standard.

## 5. Verifying compliance with the matrix

### 5.1 General approach of verification

84. The general objectives of the CmiA verification are:

- i. To verify the overall results of the self assessment;
- ii. To verify progress requirements;
- iii. To verify effectiveness of the internal monitoring system to ensure compliance with the criteria matrix;
- iv. To provide reasonable corroborative evidence through field checks.

85. Verification can confirm that certain requirements are met at the time of verification, but cannot guarantee that they continue to be met in the future. However, verification can analyze the maturity of the management system and hence make a statement on the likeliness of implementation over the following two years.

86. It is obligatory that the verifier checks compliance with farm level criteria of the matrix. Therefore, verification of farm level criteria will take place during cotton cultivation periods in the field.

87. It is obligatory that the verifier checks compliance with the ginning criteria of the matrix. Therefore, verification of ginning criteria will take place during the ginning period, preferably during the first two months of the ginning season.

88. Independent verifiers will undertake verifications. Verification Management will generate a list of the most appropriate verifier to conduct a verification visit; the main criteria are -without order of priority- price and effort estimate, geography, quality and track record.

89. Verification will require the validation of the overall results reflected in the self assessment by means of sufficient appropriate corroborative evidence. This may or may not cause a change in the rating. Any change in the rating will be based on the professional judgment of the verifier.

90. For each criterion the verifier should record the evidence used to verify compliance and use professional judgment for evaluation.

91. Methods of evidence collection from the Verifiers include the following:

- Management interviews;

- Staff interviews;
- Farmer interviews;
- Document review;
- Observation and/or inspection.

92. Objective evidence of compliance might mean the result of the interviews with management, interviews with members of staff and farmers, review of a written documents such as manuals, procedures or maps, physical inspection or testing of a piece of equipment, or a sample; viewing an example of a particular operation, such as harvesting or spraying, review of records such as written contracts, invoices, pay records or bank statements.

93. Guidance on how to gather corroborative evidence is compiled in the verification manual.

## 5.2 Sampling

94. The objective is to gain sufficient insights to be able to reach verification objectives. In order to reach a sufficient level of comfort, a qualitative approach is applied to obtain samples suitable for gathering sufficient corroborative evidence. With increasing focus on the selection process, interviews, document checks and business model assessments, a representative sample is gained not through size but through a qualitative top down approach. Sampling, therefore, is based on the degree of risk, geographic criteria, samples for the impact assessment or simply randomly. Finally, sampling is a matter of professional judgment of the assigned verifier.

95. Recommended risk parameters include volume of cotton produced, evaluation results of the Managing Entity of the Unit's internal monitoring. Others are stakeholder information, recent events or incidents. The inclusion of the field checks will also assist in the assessment of the effectiveness of the internal monitoring system.

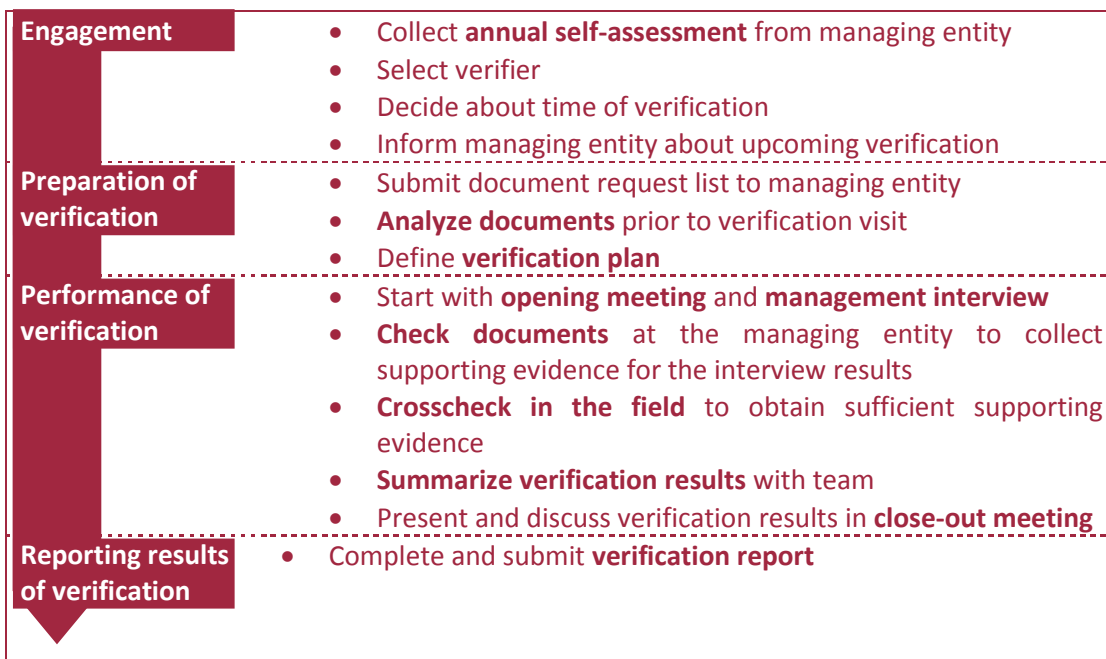
96. In the case of the inclusion of CmiA Organic, the Verifier has to consider sampling the Organic Unit (if only a part of the CmiA Unit) for his organic verification to reach a sufficient level of comfort.

97. The Managing Entity will not determine which sites are visited. Verifiers found to be taking instructions from a Managing Entity on the sample to be visited risk losing their right to verify.

98. The verification manual provides detailed guidance on sampling.

### 5.3 Overview of 3<sup>rd</sup> party verification process

99. Overview of verification process:



100. The verification process document provides detailed guidance.

### 5.4 Types of 3<sup>rd</sup> party verification visits

101. Regular verification visits take place every two years. However, there might be notable changes to the size of the CmiA Unit between two verifications or the CmiA Unit might lose its license to sell CmiA cotton due to the result of the verification. The types of verification visits are defined as follows:

#### ***Initial Verification***

102. The initial verification visit is the first verification visit to a CmiA Unit. After submission of the Self Assessment that excludes all exclusion criteria and in which no more than 50% of the evaluated sustainability practices show red, the initial verification visit takes place as soon as possible. The initial verification consists of two separate verification missions at different periods of the year – one for verification at the farm level criteria, another one for the verification of the ginnery level criteria.

### ***Regular re-verification***

103. Re-verification visits are regular verifications after the initial verification. As a rule, these visits take place every two years. The re-verification equally consists of two separate verification missions (one farm level, one gin level) as explained above.

### ***Follow-up verification***

104. Follow-up visits may be necessary if the CmiA Unit is rated below minimum requirements, or progress requirements are not met (if the latter applies, the Managing Entity should consult with the Aid by Trade Foundation). Minimum requirements are exclusion of exclusion criteria and a rating of at minimum 50% of the sustainability criteria in yellow and green. Progress requirements apply to continuous improvement obligations towards green criteria, i.e. improvement of ideally at least 1 red and/or yellow criterion. The follow-up verification takes place when a management plan is developed and implemented to remove exclusion criteria or a sufficient number of red and/or yellow criteria. The follow-up verification visit will focus on specified criteria. The Managing Entity will meet all expenses for the follow up verification.

### ***Addendum verification***

105. The license is valid until the next regular verification visits (2nd, 3rd, 4th, etc.) if there is no change in the CmiA Unit in terms of its members. If there is a relevant change in those regards, upon the initiative of the Aid by Trade Foundation and/or the Managing Entity an addendum verification can be called for and a new license may be issued and will replace the existing one.

106. A relevant change occurs if the number of CmiA farmers growing cotton increases by at least 20% compared to the previous status, if there is a new ginnery integrated, and / or the total volume of CmiA compliant cotton is expected to increase by at least 40% compared to the previous harvest.

107. In case these criteria do apply, the cost for addendum verification will be paid by the Aid by Trade Foundation. Preferably, the verifier selected for the first verification will also perform the addendum verification.

## **5.5 Rating of exclusion criteria**

108. Non compliance with exclusion criteria may be categorized into two different types (i) incidental non-compliance, (ii) systematic non-compliance.



### ***Incidental non-compliance with exclusion criteria***

109. Incidental non-compliances are defined as follows:

- i. a non-compliance is incidental and observed as a single event, and
- ii. the Managing Entity has provided sufficient evidence that internal controls and mechanisms should prevent such practices.

110. Consequence: The rating of exclusion criteria under scrutiny will remain under investigation. This means that the exclusion criteria stay open and are not rated red or green until the risk of incidental non-compliance can be mitigated or confirmed by a follow-up verification. However, they are marked as "under scrutiny". The Managing Entity must implement immediate mechanisms in order to prevent the identified exclusion criteria in the specific case in the future. A follow-up verification will be undertaken as soon as it is feasible to verify whether the measures taken by the Managing Entity are appropriate to mitigate the risks of non-compliance associated with specific exclusion criteria. The follow-up verification must take place within a period of 12 months after the regular verification. This period starts with the last day of verification (Close-out Meeting) during which the risk of incidental non-compliance was determined. The precise timeframe of the follow-up verification needs to be negotiated between the verifier and the Managing Entity. The verifier will inform Verification Management about the agreement reached, and Verification Management will confirm to Verifiers and Managing Entity. The verification will focus on the identified case. Verification has to be paid for by the Managing Entity. The original CmiA license will remain active until completion of re-verification of criteria under scrutiny.

111. In case the re-verification confirms continued non-compliance the CmiA Unit instantly loses its license to sell CmiA cotton until a follow-up verification (paid by the Managing Entity) will provide sufficient evidence that exclusion criteria are met and sufficient controls are in place, so that the verifier has reasonable comfort that such practices are prevented in the future.

### ***Systematic non-compliance***

112. Systematic non-compliances are defined as follows:

- i. corroborative evidence demonstrates that exclusion criteria are applied, and
- ii. the Managing Entity cannot provide sufficient evidence that internal controls and mechanisms prevent such practices.



113. Consequence: The CmiA Unit instantly loses its license to sell CmiA cotton until a follow-up verification (paid by the Managing Entity) will provide sufficient evidence that exclusion criteria no longer apply and sufficient controls are in place that the verifier has reasonable comfort that such practices are prevented in the future.

## 5.6 Dispute resolution in relation to verification

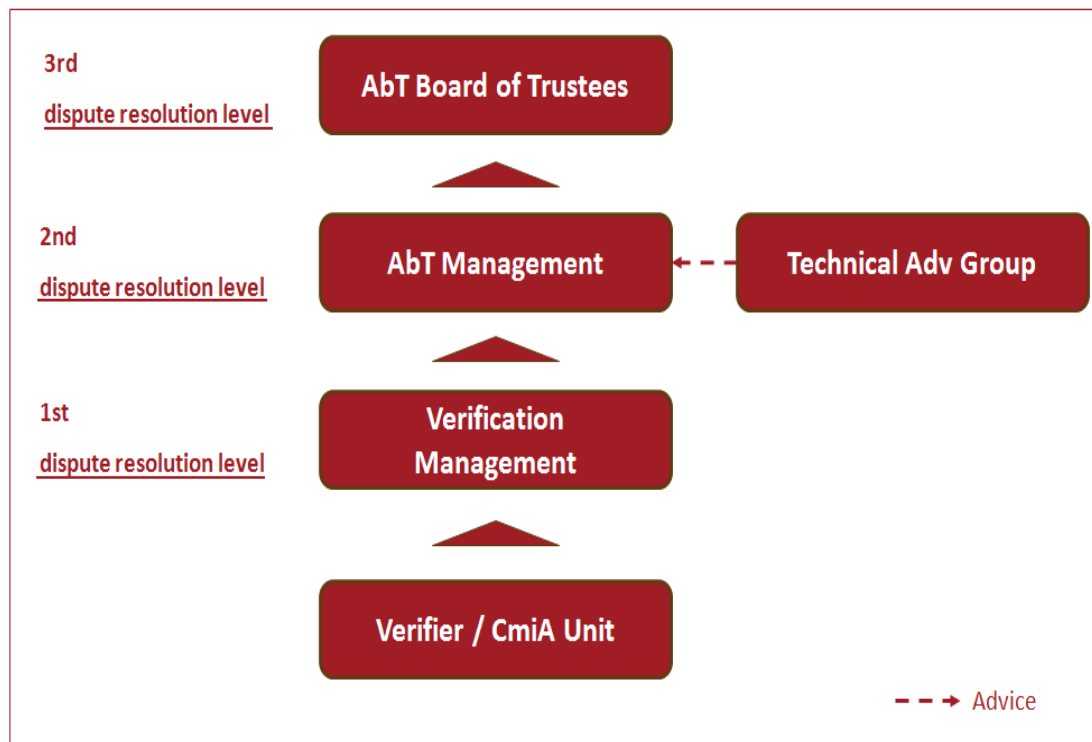
114. Independent dispute resolution involving AbTF Management and the Technical Advisory Group will be established on a case by case basis for the resolution of disputes such as:

- the Managing Entity of the CmiA Unit contests the rating results of verification, and
- the Managing Entity of the CmiA Unit contests its removal from the CmiA system.

115. It is the responsibility of the verifier as well as the Managing Entity to enter in dialogue and to hold a closing meeting at the end of the verification in order to discuss the results and attempt to clear-up any potential misunderstandings which may materialize into a dispute.

116. However, it is clear that opinions of the respective parties may diverge and lead to a case requiring involvement in a first step of Verification Management. If no solution is found here the AbTF Management in consultation with the Technical Advisory Group will form a decision and inform the AbTF Board of Trustees accordingly. The final decision rests with the AbTF Board of Trustees.

117. Overview escalation steps in case of dispute of verification results:



## 6. Qualification of Verifiers

118. Social and environmental verification relies to a large degree on the competence and skills of the individual verifier.

119. Prerequisites for participation in the verification training for individual verifiers are:

- I. Working for an ISO accredited certification body;
- II. Experience in social and/or environmental standards' auditing;
- III. Technical knowledge;
- IV. Formal education;
- V. Relevant language skills.

120. In order to conduct a combined CmiA Organic verification at minimum the lead verifier is required to hold a valid qualification/accreditation with the respective organic scheme.

121. After successful participation in the verification training by AbTF, the then approved verifiers should preferably work in mixed teams (female/male) of at least two, with the lead verifier having successfully participated in the verification training.

122. Verifiers need to disclose any potential conflict of interest to Verification Management prior to their assignment.

123. The Verification Management provides transparent access to the pool of approved verifiers within the CmiA system.

124. Unannounced or announced witnessed verifications are a means for Verification Management to control the quality of conducted verifications as well as to support the learning process of the verification scheme.