



COTTON MADE IN AFRICA

OUR ACTIVITIES IN 2012



Board of Trustees

AID BY TRADE FOUNDATION BOARD OF TRUSTEES

Dr. Michael Otto

Chair of the Board of Trustees,
Chair of the Supervisory Board
at the Otto Group

Dr. Michael Bornmann

Vice Chair of the Board of
Trustees, member of the Man-
agement Board at the Deutsche
Investitions- und Entwicklungs-
gesellschaft mbH (DEG)

Eberhard Brandes

Member of the Executive
Board at the World Wild Fund
(WWF) Germany

Nicholas Earlam

CEO and owner of Plexus
Cotton Ltd.

Olaf Gieseler

CEO of CURATAX Treuhand
GmbH Tax Consultancy Firm

Baroness Lola Young of Hornsey

Chair of the cross-party
parliamentary task force "Ethics
& Sustainability in Fashion"

Dr. Wolfgang Jamann

CEO and General Secretary of
the Welthungerhilfe (WHH)

Ibrahim Malloum

Executive Director of the
Nouvelle Société Textile du
Tchad (NSTT)

Janina Otto

Director of the Ana Kwa
Ana Foundation

Andreas Proksch

Head of Africa Unit at Deutsche
Gesellschaft für Internationale
Zusammenarbeit (GIZ)

Uwe Schröder

Honorary Member of the Board
of Trustees, Chair of the
Supervisory Board at the
Tom Tailor Holding AG

James Shikwati

Director of the Inter
Region Economic Network
(IREN Kenya)

Contents

Foreword	04
I. Cotton made in Africa	05
1. Demand Alliance	06
1.1 Example: Otto	08
1.2 Sale of CmiA Cotton to BCI Customers	09
2. Consolidated Income	10
3. Verification of CmiA	12
4. Cotton made in Africa's Environmental Footprint	14
5. Social Projects	16
6. Supply Chain Management	18
7. Marketing and Communication	21
II. COMPACI	24
III. Consolidated Profits 2012	25
IV. Planned Management Structure for COMPACI II (2013-2015)	26

Foreword

DR. JOHANNES MERCK

CEO of the Aid by Trade Foundation

ROGER PELTZER

Program Director of COMPACI

Cotton made in Africa was brought into being in 2005 based on the initiative of Dr. Michael Otto, Chair of the Supervisory Board at the Otto Group, in order to realize objectives of development aid policy through entrepreneurship.

This innovative approach, which puts classic entrepreneurship to work for a good cause, aims to help improve the living conditions of African smallholder farmers and to contribute to environmental protection in the country of origin of the cotton. Since its inception, the aim of the initiative has always been to offer environmentally and socially sustainably produced raw materials for the mass market that benefit buyers as well as the smallholder farmers who produced it.

The Aid by Trade Foundation was established as a supporting organization of the Cotton made in Africa Initiative. Chaired by Dr. Michael Otto, the foundation's Board of Trustees is equally represented by members from textile companies, development organizations, cotton traders, NGOs, and representatives of the African cotton sector, including the African Civil Society.

What began as a pilot project has now evolved into a large venture 8 years on. By the end of 2012, 435,000 farmers in 6 African countries produced cotton in accordance with the standards of Cotton made in Africa. On the demand side, many well-known textile companies such as Puma, Tchibo, the Rewe Group, C&A, s.Oliver, and the Otto Group use Cotton made in Africa cotton for their collections and work with sustainable cotton in all major procurement markets in the world. In 2012, 20 million CmiA garments were sold.

The dynamic development of the Cotton made in Africa Initiative was facilitated by the fact that the Bill & Melinda Gates Foundation (BMGF), along with the German Federal Ministry for Economic Cooperation and Development (BMZ), provided substantial resources to support the cotton-growing smallholder farmers in Africa in increasing the sustainability of their production conditions as well as their income. The first large-scale funding program, called Competitive African Cotton Initiative (COMPACI), spanned a period from 2009 to 2012. With the subsequent COMPACI II funding program, which runs from 2013 to 2015, a total of 650,000 smallholder farmers will receive the support they need.

In 2012, the Aid by Trade Foundation and the Better Cotton Initiative (BCI) signed a limited partnership agreement. As a result, since May of last year, verified Cotton made in Africa cotton can also be sold as BCI cotton to customers of the Better Cotton Initiative. This opens up additional dynamic markets for sustainable cotton from Africa.

The Aid by Trade Foundation and the Competitive African Cotton Initiative have seized the opportunity presented by the launch of the COMPACI II funding program to report on their activities their future goals for the first time. This interim report is the prelude to an annual publication. By providing a high degree of transparency, we create a deeper understanding of our work in Africa and, in the process, awareness among a wide range of target groups. This in turn is a key prerequisite for the long-term success of the initiative and the achievement of our goals in Africa.



I. Cotton made in Africa

Cotton made in Africa (CmiA) is an initiative of the Aid by Trade Foundation (AbTF) that was founded in 2005 by Dr. Michael Otto, Chair of the Supervisory Board at the Otto Group. The organization's goal is to improve social and environmental conditions in developing countries by harnessing the power of the market. Its work thus focuses explicitly on agricultural and forestry resources.

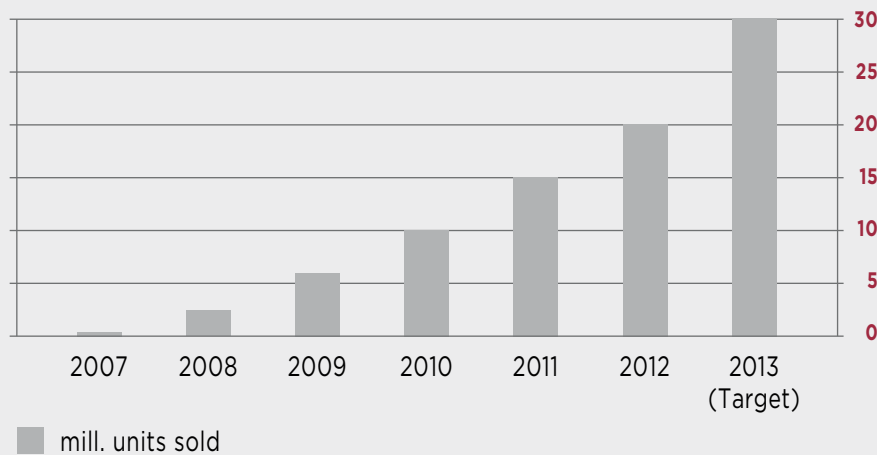
The AbTF is currently pursuing its goals exclusively through the Cotton made in Africa Initiative.

The most important leverage CmiA has in achieving its objectives regarding political development is building an alliance of textile companies and fashion brands.

Through the specific demand in trade for African cotton, revenue is earned from licensing fees, which funds the work of the initiative in Germany and in Sub-Saharan Africa in the long term.

Whereas the Aid by Trade Foundation is responsible for measures related to fulfilling and ensuring socio-economic and ecological criteria in Africa, the economic sub-areas such as communication, marketing, key account management and supply chain management are bundled at the ATAORA Fördergesellschaft GmbH. ATAORA holds the exclusive marketing rights for Cotton made in Africa and pays all surplus funds to the Aid by Trade Foundation.

1. Demand Alliance



Since 2007, Cotton made in Africa's corporate partners have offered clothing and home textiles under the CmiA license. What started out with 400,000 jackets and t-shirts made from CmiA cotton will grow to 30 million pieces in 2013. A total of 53.8 million textiles were produced under the CmiA license from 2007-2012. In order to be able to produce textiles under the Cotton made in Africa label, the textile

companies pay a licensing fee to the Aid by Trade Foundation. This fee is dependent on volume and lies between €0.025 and €0.10 per item produced (clothing or home textiles). In addition, an annual fee is charged. Alternatively, companies may also opt for a flat fee which allows them to produce a specified quantity of textiles or purchase a certain amount of ginned cotton.

OVERVIEW: COTTON MADE IN AFRICA LICENSING FEES 2012

Licensing fees based on per ton ginned cotton (lint)

A €5,000 p.a. + €0.20/kg

B €50,000 p.a. + €0.10/kg

C Fixed Fee

- 1,000 t : €100,000
- 2,000 t : €160,000
- 3,000 t : €210,000
- 4,000 t : €240,000
- 5,000 t : €250,000

► **5,000 t : €50/t**

Licensing fee per item produced

A €5,000 p.a. + €0.10/piece

B €50,000 p.a. + €0.05/piece

C Fixed Fee

- 2 mill. pieces : €100,000
- 4 mill. pieces : €160,000
- 6 mill. pieces : €210,000
- 8 mill. pieces : €240,000
- 10 mill. pieces : €250,000

► **10 mill. pieces : €0.025/piece**

Consumption of CmiA cotton has kept pace with this positive development, increasing in the period from 2008 to 2012 from 1,100 t to 8,000 tons. This is thanks to new trading partners in the CmiA Demand Alliance, as well as existing partners who have continuously increased their demand, helping to raise the volumes.

A particularly positive effect was the marked tendency of large clothing stores to commit themselves publicly to expanding their use of sustainable raw materials. In upholding these aspirations, Cotton made in Africa witnessed a heightened demand by existing customers.

THE FOLLOWING COMPANIES WORKED WITH CMIA IN 2012:

BAUR

**bon
prix**
it's me!



heine
IMMER ETWAS BESONDERES



OTTO



real



REWE

s.Oliver

Schwab



UNITO
A member of the otto group




Good Feeling Included.

In 2013, every third purchase of cotton items from these labels at Otto went to support the "Cotton made in Africa" to improve the local living conditions and eco-friendly crops. In three years, this figure will increase to every second item. In 2020, we aim to reach our goal with your help: by then cotton, produced for OTTO will be obtained entirely from sustainable crops.

More information can be found on: www.otto.de/damen













1.1 OTTO Example

TOWARD 100% SUSTAINABLE TEXTILES WITH “INITIATIVE ZUKUNFT”

Cotton comprises the majority of OTTO textiles' thread demand. The cultivation of the raw material is a source of income for millions of people worldwide, yet it can also cause wide-scale environmental and social problems. Otto has therefore announced its strategy to increase the proportion of sustainable cotton used for their own products to 100% by 2020.

In addition to the use of organic cotton, the cotton produced through the Cotton made in Africa Initiative plays a leading role. OTTO is a leader within the Otto Group in terms of using sustainable cotton. In 2012, the proportion of sustainable cotton amounted to 16%; with 9% of the total cotton order quantity coming from the Cotton made in Africa Initiative. In 2013, OTTO will cover one-third of all its own cotton products in women's and men's fashion with cotton from the Cotton made in Africa Initiative. In 2014, this figure will cover one-half of the products. OTTO integrates and communicates its strong commitment under the umbrella of the INITIATIVE ZUKUNFT, the aim of which is not only procuring sustainable cotton but also additional product groups for protecting people and nature.



1.2 Sale of CmiA Cotton to BCI Customers

According to a Memorandum of Understanding (MoU) in April 2012, the AbTF signed a limited partnership agreement with the Better Cotton Initiative (BCI), allowing for the sale of CmiA verified cotton as Better Cotton in the material flows of the BCI members. This provision does not apply vice versa, meaning that cotton verified as Better Cotton may not be sold as CmiA cotton. At the end of 2012, 20,000 tons of CmiA cotton had already been sold to partners of BCI, which has large international textile companies such as Walmart, Nike, Adidas, H&M, IKEA, etc. in its membership base. The sale took place at world market prices without surcharges or royalties. Communication from

Cotton made in Africa is prohibited in this model. A non-expiring partnership agreement will be signed with BCI in mid-2013.

AbTF did not record a surplus in earnings in 2012 resulting from these sales, yet. From mid-2013, the BCI will begin to introduce a volume-based fee to its customers and the Aid by Trade Foundation will receive a share of these earnings. The strong sales figures for CmiA cotton in the BCI system show that the demand for sustainably produced cotton is growing steadily, and indicate great market potential for CmiA as well as Better Cotton.

2. Consolidated Earnings

The non-profit Aid by Trade Foundation owns the brand CmiA. The exclusive marketing rights have been transferred to the ATAORA Fördergesellschaft GmbH, which distributes the surplus profits to the Aid by Trade Foundation.

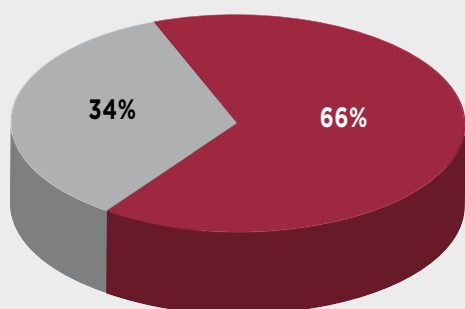
From a financial perspective, the 2012 financial year was marked by a steady growth in earnings.

Earnings were primarily made through marketing the CmiA license, partnership contributions from members of the textile value chain and corporate partners, from donations as well as external funding.

The program implementation of Cotton made in Africa was primarily funded by these earnings. Together with the resources that went to accompanying social projects, this resulted in a ratio of 56% between the total expenditure and the resources that directly support the goals of our initiative (program expense ratio). This outcome is reflective of an effective use of resources.

In 2012, approximately 30% of revenue was invested in distribution and marketing/communications in order to further expand the international demand alliance generated by the CmiA's licensing income and to increase CmiA's name recognition.

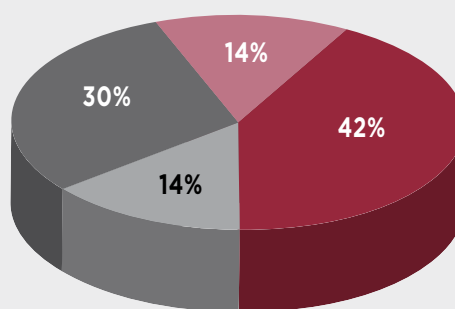
INCOME 2012



- Income from business operations
- Income from grants/contributions

Income	T€	Share as %
Licensing income	788	35%
Partnership contributions	262	12%
Public grants	431	19%
Private grants	380	17%
Donations	349	15%
Other income	54	2%
Total income 2012	2,264	100%

EXPENSES 2012



- Program Implementation
- Social projects
- Marketing, distribution and communication
- Management and administration

Expenses	T€	Share as %
Management and administration	289	14%
Program implementation	871	42%
Social projects	286	14%
Marketing, distribution and communications	614	30%
Total expenses 2012	2,060	100%

Program Service Expense Ratio = Program Service Expenses/Total Expenses

56%

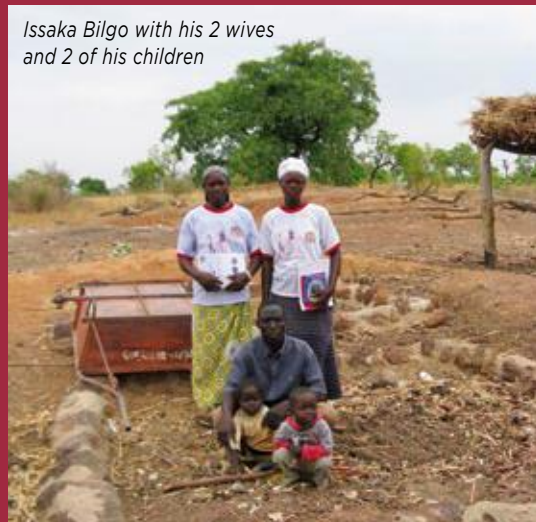
All in all, a small profit was attained in 2012, a sign of increasing financial stability.

Improving Soil Fertility

Issaka Bilgo was provided with the materials to start up a second compost pit. Compost pits are typically 2.5 meters wide, approx. 5 meters long and 1 meter deep. It is walled in and filled with biological waste (food waste, excrement, plant remains) and minerals.

“ I am extremely pleased with the compost pit. Now I can make use of 1 hectare of compost instead of 0.5 hectares and use the additional 0.5 hectares to increase crop yields by approx. 30%. I use the additional income to buy food for my family, I put away money for more difficult times and I have increased certainty that I will be able to pay my children’s tuition. ”

Issaka Bilgo with his 2 wives and 2 of his children



PORTRAIT: ISSAKA BILGO

- 39 years old
- Married with 2 wives, father of 5 children
- Owns 3 Oxen, 2.5 hectares of cotton fields and 3.5 hectares of additional cropland

Burkina Faso is situated in the Sahel zone, which is characterized by low soil fertility and desertification. Cotton cultivation is therefore subject to harsh conditions. Faso Coton, a local cotton company and a partner of CmiA and COMPACI, has trained a total of 2,300 smallholder farmers in Burkina Faso in the construction of compost pits and provides the necessary construction materials.

The compost pits contribute significantly to preserving soil fertility and ensure the harvest and thus the income of smallholder farmers can be increased. Since then, approx. 12-15% of Faso Coton smallholder farmers have installed compost pits – an increasing trend.

The promotion of natural fertilizers is one of the reasons Cotton made in Africa has such a good environmental footprint value. The production and use of artificial fertilizers releases a considerable amount of nitrogen.

3. Verification of CmiA

Cotton made in Africa's verification system monitors the social, economic and environmental advancement of smallholder farmers and the associated ginning operations. The CmiA verification matrix lies at the center of the system, organized in two tiers: First, it contains exclusion criteria to determine whether smallholder farmers and cotton companies are even able to participate in the Cotton made in Africa Initiative. Part of these minimum requirements are the exclusion of slavery, human trafficking and child labor¹, or the clearing of primary forests. It also includes a ban on the use of dangerous pesticides and genetically modified seeds.

Smallholder farmers and cotton companies that produce cotton on the basis of Cotton made in Africa criteria must also adhere to a set of sustainability indicators. These criteria do not have to be met 100% from the outset. But farmers and cotton companies do have to develop plans for improvement and demonstrate they will continue to improve on meeting these criteria.

Since the beginning of 2012, the current version of the verification matrix has been available and have been applied to all corresponding verifications that have been carried out since January 2012. The most important improvements lie in the clear measurability of certain verification criteria relating to training processes, as well as the use of advanced agricultural methods by trained smallholder farmers. Thanks to these improvements, the cotton companies and the Aid by Trade Foundation will have the ability and the agency to better monitor these training processes, as well as the economic and social changes that result from them.

The current verification matrix contains the following important improvements:

- The current list of prohibited pesticides for crop spraying (exclusion criteria), which are on the lists from Rotterdam and Stockholm Conventions, has been tightened. As of 2013, the pesticide exclusion list will be expanded to include those classified as extremely or highly dangerous by the World Health Organization (WHO).
- In terms of "integrated plant protection" and improving soil fertility, it is no longer enough to train farmers in the relevant techniques to achieve a "green" grade. Now, in order to achieve such a grade, the majority of farmers also need to implement these techniques.

The second round of CmiA standards verification began at the end of 2011 and continued in southern Africa (Malawi, Mozambique, Zambia) in 2012. The verification of the ginneries followed mid-year. The verification of the ginnery of the CmiA partner Ivoire Coton delayed due to the political situation in Côte d'Ivoire was carried out in 2012. Furthermore, CmiA verifications for three previously unverified cotton companies in Mozambique, Cameroon and Zimbabwe were carried out.

Currently, 8 cotton companies have successfully passed through one verification cycle in accordance with CmiA standards, two of which were verified after successfully implemented specific additional training measures.

The verification results are all currently available on the AbTF homepage (www.cottonmadeinafrica.org).

¹ In accordance with ILO Conventions 138 and 182

Basic veterinary training for smallholder farmers in Côte d'Ivoire

“ We administer pills to relieve the oxen from worm infestations and other intestinal parasites. The main ingredient in the medication is Albendazol, an active ingredient that is also used in treating humans. This treatment must be re-administered every 3 months. To protect them against ticks or other bacteria transmitting insects, e.g. tse-tse flies, I treat the cattle weekly during the rainy season. ”



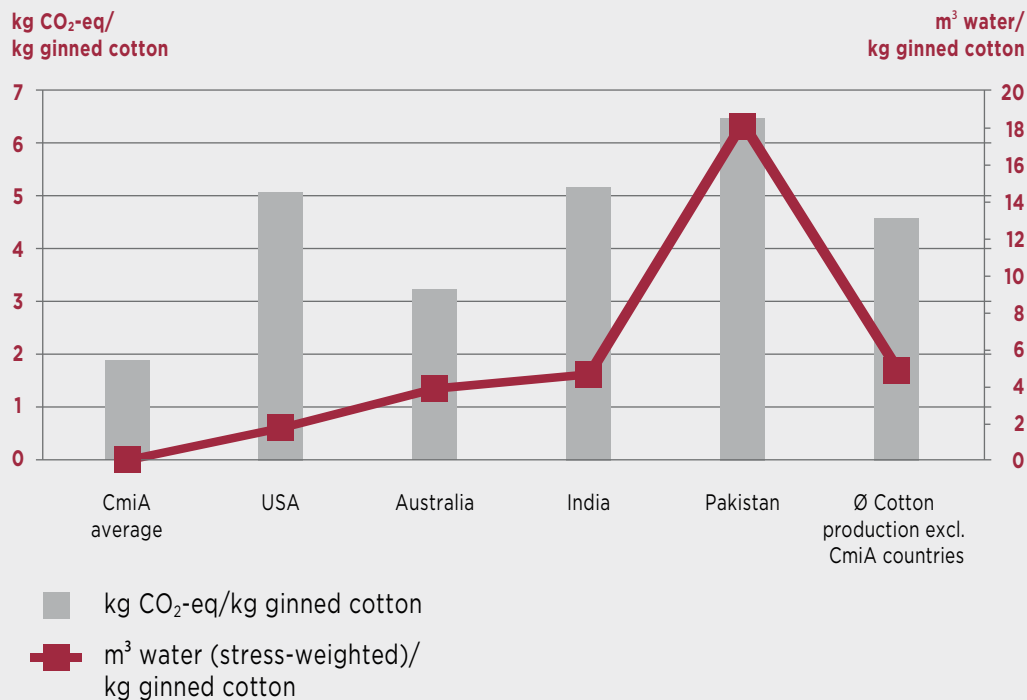
PORTRAIT: KONE FALIE

- 40 years old
- Married with 2 wives, father of 6 children
- Owns 4 oxen, 6 hectares of cotton fields

Working in the cotton fields is back-breaking work. To make it easier, CmiA and COMPACI partner Ivoire Coton, a cotton company in Côte d'Ivoire, granted its contract farmers loans from 2009 to 2012 to purchase a total of over 7,000 oxen.

Oxen are a valuable asset to cotton farming families. They not only serve as a form of investment in place of bank accounts, but also facilitate working the soil just as producing organic compost nourishes soil fertility. Protecting the animals from epidemics that threaten a large portion of the cattle in northern Côte d'Ivoire is very important for farming families. For this reason, COMPACI has supported its partner, Ivoire Coton, in introducing a nationwide system of “barefoot veterinarians”. Farmers are trained in basic medical knowledge so they are then able to administer the proper medications for diseases and contagions independently, can treat them professionally and, in doing so, protect them from insects.

4. Cotton made in Africa's Environmental Footprint



Consulting firm Systain Consulting GmbH compiled a study for the Aid by Trade Foundation on Cotton made in Africa's environmental footprint. According to the study, Cotton made in Africa cotton has a considerably smaller environmental impact than conventionally generated cotton.

Because CmiA cotton cultivation is conducted exclusively through rain-fed agriculture, CmiA cotton operates considerably better environmentally with a value of 0 cubic meters of fresh water consumption, whereas conventionally cultivated cotton from other continents has a value of 5 cubic meters of water per kilogram of ginned cotton. Based on the amount of cotton necessary for a t-shirt, CmiA has already saved approx. 1,500 liters of water by cultivating resources sustainably. Fresh water consumption in cotton cultivation is defined as stress-weighted water consumption. This means that consumption in low-moisture regions is weighted higher than in wet regions.

According to the study, cultivating CmiA cotton produces 1.9 kilograms of greenhouse gas emissions (GHG

"BLUE", "GREEN" AND "GRAY" ² WATER

The study also analyzed the consumption of "blue water". This refers to groundwater and fresh water, for example water found in lakes and rivers. As a distinction: "Green water" designates rain water; "gray water" is a term for water pollution. The Water Stress Index is also incorporated in calculating water consumption. It depicts the relationship between water demand and the availability of renewable fresh water. Consumption in low-moisture regions was thus weighted higher than in wet regions.

²cf. Hoekstra



emissions) per kilogram of ginned cotton. GHG emissions are measured in CO₂ equivalents. Along with CO₂, the emissions also contain N₂O and CH₄. Conventional cotton from other continents emits 2.4 times more GHG emissions with 4.6 kilograms per kilogram of lint. 70% of CmiA's GHG emissions stem from the production and use of fertilizers. With CmiA, there are no emissions from mechanical energy expended through farming; with conventional cotton, this amounts to 34% of emissions. Compared to conventional cotton, Cotton made in Africa's low GHG emissions are also a result of promoting the use of draft animals and the production of organic fertilizers with the aid of compost pits.

GHG emissions and water consumption are measured on the basis of the Life Cycle Assessment (eco-balance), which is also specified by the International Standardization Organization (ISO 14040:2006). Eco-balance is a systematic analysis of the environmental impacts of products, processes or services over a product's entire life cycle. All environmental impacts generated during production, the utilization phase and disposal,

as well as the preceding and subsequent processes, such as manufacturing the raw materials, additives and fuel, are included.

The complete study can be downloaded free of charge in the "Downloads" section at www.cottonmadeinafrica.org.

5. Social Projects

Along with the commercialization and verification of CmiA, the AbTF undertakes social projects in cotton regions together with corporations, cotton companies and the German Investment and Development Company (Deutsche Investitions- und Entwicklungsgesellschaft - DEG). One of the aims, for example, is to promote primary school attendance for the children of cotton farmers. In 2012, the implementation of 5 social projects

in Burkina Faso, Benin, Côte d'Ivoire and Zambia was promoted further. Of the resources the AbTF mobilized to implement the projects, approx. 40% came from public sources and approx. 60% from private sources, i.e. from the AbTF's licensing income, from textile companies and local cotton companies. In total, approx. €2.3 million was raised for social projects, of which €250,000 was raised in 2012.

AN OVERVIEW OF SOCIAL PROJECTS



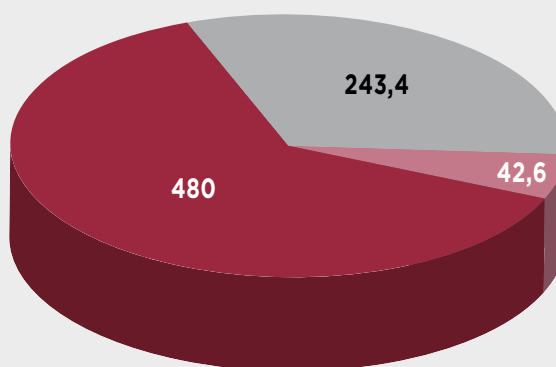
BURKINA FASO Building renovation of a total of 19 school buildings is planned to improve the educational infrastructure in CmiA communities. Plans include providing school furniture and teaching materials, electricity and water, as well as bathroom facilities and school gardens. Together with the DEG, the Otto Group, Tchibo and our partners in Zambia - Dunavant and Cargill - the total budget amounts to €950,000 for 3 years.



BENIN The project started in 2011 to improve access to primary school education for children in northern Benin was completed through a new development agreement with the farmers' association, the German Society for International Cooperation (GIZ) and the Beninese cotton company "Industries Cottonnières Associées" (ICA) during the remaining project duration (see example "School building Benin"). The project's corporate partner is Tchibo GmbH and the co-financer is the DEG. Seven schools will be built, 10 school gardens installed and 30,000

THE TOTAL VOLUME OF SOCIAL PROJECTS IN 2012 AMOUNTED TO €766,000

- Reserves for subsequent years
- Project funds paid
- AbTF management



ZAMBIA (2 projects) To improve the educational infrastructure in CmiA communities through 2 school projects, building renovation of a total of 19 school buildings is planned; Plans include providing school furniture and teaching materials, electricity and water, as well as bathroom facilities and school gardens. Together with the DEG, the Otto Group, Tchibo and our partners in Zambia - Dunavant and Cargill - the total budget amounts to €950,000 for 3 years.



CÔTE D'IVOIRE In the northern part of the country, a new project to support women's cooperatives in cotton growing regions began in 2012. With a total budget of €100,000, a total of 25 women's cooperatives with at least 49 members each received a financial grant to implement small investments. The goal is to support the women participating on their way to greater financial independence. C&A is engaged in this project and the co-financer is COMPACI.

6. Supply Chain Management

For the first time, a sustainable and simultaneously mass-marketable resource is available with CmiA. The Supply Chain Management division supports Cotton made in Africa's corporate partners by integrating sustainable cotton into the textile value chain worldwide.

To ensure the use of sustainable resources in the mass market, marketable purchase and sale prices must be provided.

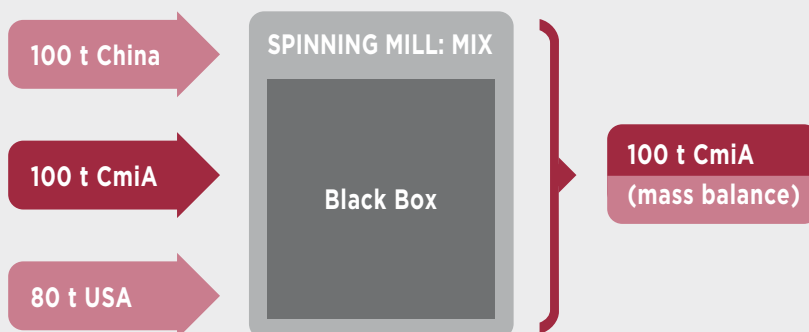
To reach this goal, the initiative has developed various modules:

- Implementation of workshops at each of CmiA's partner companies' headquarters with the goal of providing information on CmiA's management and purchasing organization.

- Implementation of workshops in procurement markets in order to qualify the companies' import organizations for cost-neutral integration of CmiA cotton in their production
- Providing a selection of spinning companies and fabric manufacturers to ensure quick and smooth production in accordance with CmiA requirements

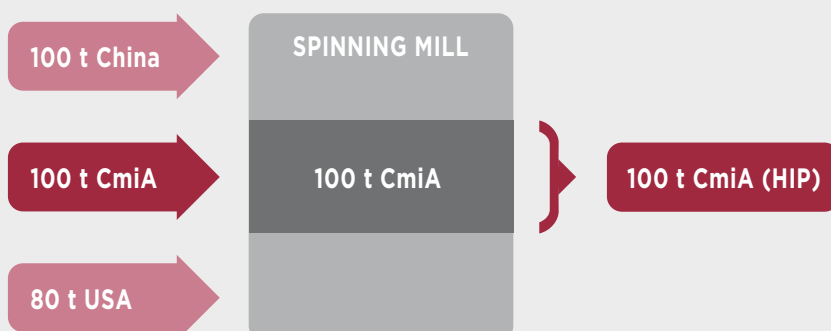
In the Cotton made in Africa system, partners have a choice as to the level of transparency that should be established in the value chain. In doing so, 2 different systems have been implemented to provide for various product statements and opportunities communication, distinction and presentation of goods.

A. THE SYSTEM OF "MASS BALANCE" (MB)



Under the mass balance system, quantity control is undertaken at the spinning mill level. An online tracking system developed for Cotton made in Africa controls the amount of cotton bought and balances this with the amount of thread sold. If a spinning company experiences a shortfall in the material balance, it must then promptly buy the missing amount of Cotton made in Africa cotton.

B. THE "HARD IDENTITY PRESERVED" SYSTEM (HIP)



The HIP system establishes complete transparency throughout the entire textile value chain. Cotton can also be tracked the entire way from the cotton gin to the finished product. To make this possible, actors in the textile chain must input the relevant information in a database.

Education as the key to sustainable development

What changed for Barikissou Yinongui and her family through the school building project?

“ I am illiterate and unfortunately never went to school myself. I do not want my children to remain “blind”. I want them to have the opportunity to learn how to read and write. By attending school, I hope my children will become something and that they find well paying jobs.

I have noticed that more parents are now sending their children to school. At the start of a new school year, not all parents have the money necessary to be able to buy their children school uniforms. Through CmiA, we (note: CmiA cotton farmers) receive fabric for uniforms and then only had to pay approx. 1,000 CFA (note: €1.60) for the tailor. That really helps. We have also gained this great new school building! In addition, we received materials to build the school cafeteria and the school's own vegetable garden. During the summer vacation, I help with



PORTRAIT: BARIKISSOU YINONGUI

- Married
- Mother of 2 daughters and 4 sons
- CmiA smallholder farmer with 1.75 hectares of cultivated land where she grows cotton, corn, chili and soy.

the school garden to maintain it so that fresh vegetables are available for the school cafeteria even after the summer holidays. This way, the children get fresh food everyday, which is good for their health. ”

EXAMPLE: SCHOOL BUILDING IN BENIN

To promote education in CmiA and COMPACI project areas, the development of educational infrastructure for children is a core concern, as it is in Benin. Barikissou Yinongui lives in a small village, Souassararou, in northern Benin and is one of the smallholder farmers whose children were provided with access to primary school education with the support of CmiA and COMPACI. In terms of the “Coton pour éducation” project, 2 school buildings had already been built and dedicated by the end of 2012, 14 school gardens were installed for better food supply for schools, approx. 40 cafeterias were set up, 300 scholarships were awarded and 20,000 school uniforms were distributed.

The Advancement of Women through Cotton Women Clubs

“ My husband took all the income from the joint cotton crop, stayed away for 2 weeks and then came back without money. That left me with no money to buy clothing for myself and my children. In the Women Club, I learned that I could get my own financing through Cargill, and then manage my own lot with this money (...) When my husband saw how successful I was with it, he wanted to work with me in a large field. But I refused and now we work together on our own separate fields.

The best thing about the Women Clubs is that we learn from each other and share the best cultivation methods as well as the most delicious recipes. We have also learned that men cannot demand everything from us because we can provide for our family without husbands if we work hard enough. ”



PORTRAIT: ROSEMARY NYAU SAKALA

- Mabenji Village (eastern Zambia)
- Married
- Mother of 5 children (3 daughters and 2 sons)
- Independent contract partner of the Cargill cotton company. She used the loan to buy seeds and harvested cotton to provide for her family.

In Sub-Saharan Africa, improving the living conditions of small farmers is directly associated with the advancement of women. Female cotton farmers do most of the work in the field and in the home and look after the entire family's welfare. CmiA and COMPACI have joined forces with the local cotton companies to strengthen the rights and position of women in the program. In this respect, the Cargill Zambia cotton company works to adapt training in sustainable cotton production to the needs of the female participants. Cargill Zambia also supports women with establishing "Cotton Women Clubs". Since 2011, more than 500 of these clubs, each with 25-50 members, have come into existence. The clubs have an elected governing body and plant cotton and other crops together. They receive advice from Cargill and support through loans to pre-finance special production sites. The women reinvest the income they generate together, for example in the construction of a warehouse or in education for their children. Many women become independent partners of Cargill and can now earn their own income thanks to the Women Clubs.

7. Marketing and Communication

A. THE PROJECT “ALBERT WATSON - VISIONS FEAT. COTTON MADE IN AFRICA”



In 2012, communication at the Aid by Trade Foundation was largely influenced by the art project “Albert Watson - Visions feat. Cotton made in Africa”. Legendary photographer Albert Watson traveled to Benin in December 2011 for the Aid by Trade Foundation and took portraits of the smallholder farmers affiliated with Cotton made in Africa and their everyday lives. The resulting photographs from this trip were exhibited between September 2012 and January 2013 in the Haus der Photographie in Hamburg as part of a major retrospective of Albert Watson’s life’s work. The Haus der Photographie in the Deichtorhallen in Hamburg is



one of the most important museums of contemporary photography in Europe. An accompanying exhibition newspaper in four languages and theme-based tours informed visitors about the work of Cotton made in Africa. Over 35,000 visitors attended the exhibition.

The goal of this extraordinary cooperation between the initiative and the fashion and lifestyle photographer was to visualize Cotton made in Africa’s unique selling point – social impact. The idea was to share with viewers in Europe what the people behind the initiative and their world actually look like. Working with a famous photographer and the resulting large media response, the intent was to raise awareness and thus also recognition of the label and make consumers more familiar with Cotton Made in Africa.



B. INITIATIVES FOR SUSTAINABLE COTTON

The Aid by Trade Foundation founded the “Initiatives for Sustainable Cotton” (INBW) together with Fairtrade Germany and the organic cotton sector through a joint project. The work of the INBW focuses on strengthening communication and cooperation in the sustainable cotton sector to sensitize consumers and traders regarding the production and marketing of sustainable cotton, and ultimately to improve the conditions for increased sales of sustainably produced cotton.

This involved implementing the following measures:

- Planning and implementing public awareness events in 2012. Specifically, the INBW actively participated in the Munich Fabric Start, FAIR Dortmund, ICAC Plenary Meeting in Interlaken, RITE Conference in London and Beyond Fashion Summit in Berlin events after the kick-off event at Berlin Fashion Week through information booths, workshops and lectures.
- Development of a scenario analysis on the future of cotton in the textile industry in 2025 in cooperation with the London Institute “Forum for the Future”. The results of a large vision workshop in Berlin, in which different representatives from the textile / cotton industry were able to put forth their ideas on the topic of a “sustainable cotton industry”, were incorporated into the development of the following instruments with a:

- Scenario representation: “Cotton Futures”
- Report “The Future of Cotton” with visions and scenarios
- Workshop toolkit for working with visions and scenarios

The report is available by visiting:
www.cottonmadeinafrica.org/press

- Development and broadcasting of a commercial in the form of an animated short film on sustainable cotton. The roughly three-minute film, which was produced in English and German with the main character called Harry Cotton convey the complex topic of “Challenges and Solutions in Cotton Production” in an easily understandable and humorous way and are thus suited for use in a viral campaign (broadcast via TV / movies, presentations, trade shows, online, social media). The video can be accessed through the Cotton made in Africa channel on YouTube.

In addition, the movie was included in teaching materials, developed by the “Save our Nature” foundation. The instructional DVD plus accompanying materials for use in schools is distributed to interested teachers / schools by Save Our Nature, the Institut für Kino und Filmkultur (Institute for Cinema and Film Culture) as well as the national training centers.

This press kit was produced in an edition of 30,000 copies and can be ordered by writing to:
info@saveournature.de or
mediendossier@ikf-medien.de

- Design of a website that collects all material developed during the project and makes it available to the public free of charge. In addition, the site offers patrons the opportunity to publicly announce their support for the INBW.



Main character “Harry Cotton”, a movie about sustainable consumption of textiles

CmiA & COMPACI Farmer Business School

Participants who successfully completed the Farmer Business School in Burkina Faso



“The Farmer Business School has given us perspective. We will now plan everything precisely and follow up on matters and also implement a financial calendar. This will enable us to send our children to school with a greater deal of security and have money available for financial emergencies.”

Vamissa Sayda, 51 years old

BUSINESS MANAGEMENT TRAINING COURSES FOR SMALL- HOLDER COTTON FARMERS

Having a good sense of business and making farms more productive with management skills is the goal of the Farmer Business Schools. The first courses for smallholder farmers in Burkina Faso in cooperation with the Faso Coton cotton company began in May 2012. By 2015, the aim is to get at least half of all CmiA and COMPACI farmers to go to Farmer Business School. The Farmer Business Schools aim to provide farmers with support in making decisions when it comes to managing their farms and empower them with a sense of business. Farmers also benefit from this knowledge in the private sector, such as in managing their own family budgets.

The curriculum includes the following content:

- Correctly assessing crop fields to better determine the annual demand for inputs
- Identifying suitable foods that ensure children in particular receive quality nutrition
- Income and expenditure planning for agricultural activities and for managing the family budget
- Benefits and risks of loans, need for reserve funds as a prerequisite for loans and for building up capital, advantages of cooperatives for purchasing equipment and the sale of production
- Estimating market and production risks



II. COMPACI (Competitive African Cotton Initiative)



The successful pilot phase of Cotton made in Africa from 2005 to 2008 convinced the Bill & Melinda Gates Foundation and the Federal Ministry for Economic Cooperation and Development (BMZ) to provide financial resources for a period of 4 years to expand the program. As part of the Competitive African Cotton Initiative (COMPACI), almost half a million smallholder farmers were included in the program from 2009, and activities in six different African countries were implemented.

The German Investment and Development Company (DEG) and the German Society for International Co-operation (GIZ) were commissioned in implementing

the program. Local implementation partners in Africa are private cotton companies that contribute significantly to financing the program by providing more than 50% of the funds. When it comes to local activities, COMPACI relies on the expertise of the African partners: Association Interprofessionnelle du Coton in Benin, Faso Coton in Burkina Faso, Great Lakes Cotton Company in Malawi, Plexus in Mozambique, Ivoire Coton in Côte d'Ivoire, Cargill und Dunavant Zambia Ltd. in Zambia.

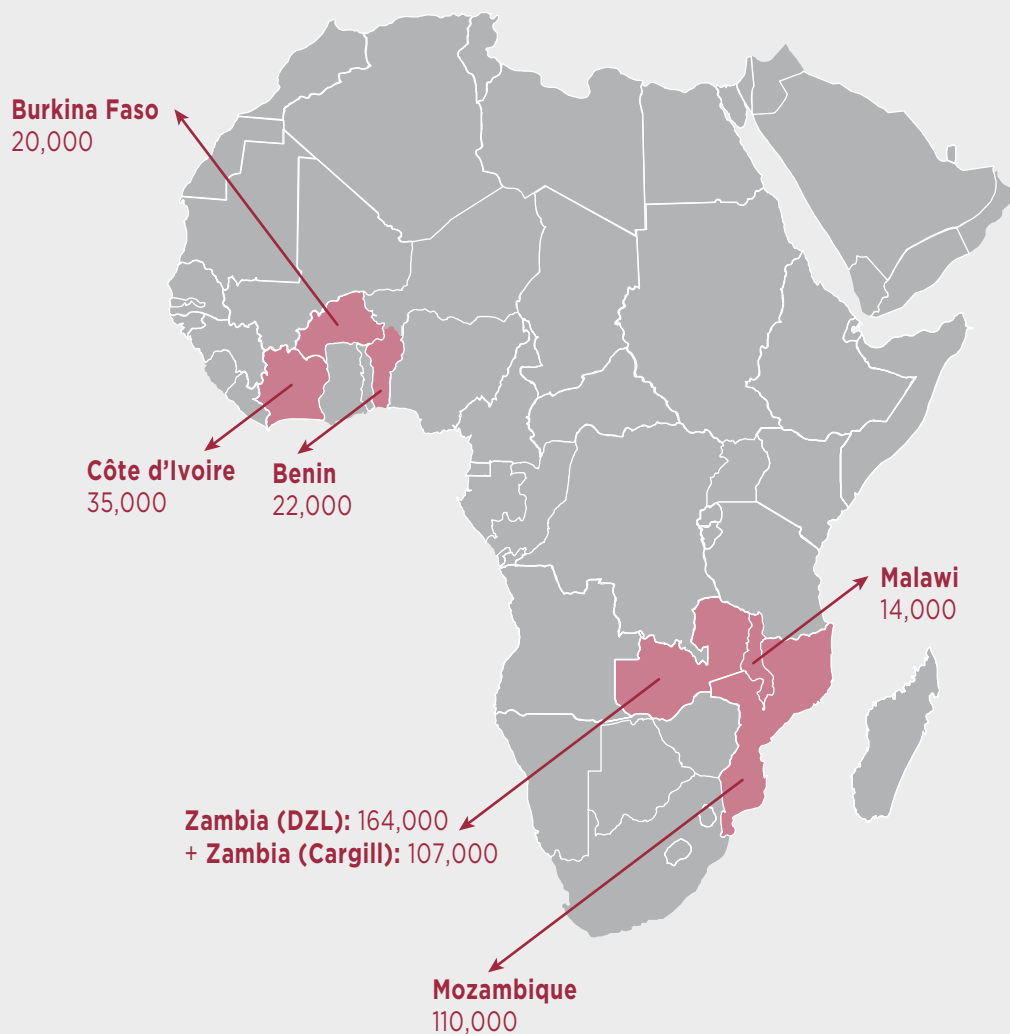
COMPACI aims to empower smallholder families to raise productivity in cotton production and thus increase their income and ultimately to improve their living conditions.

III. Consolidated Profits 2012

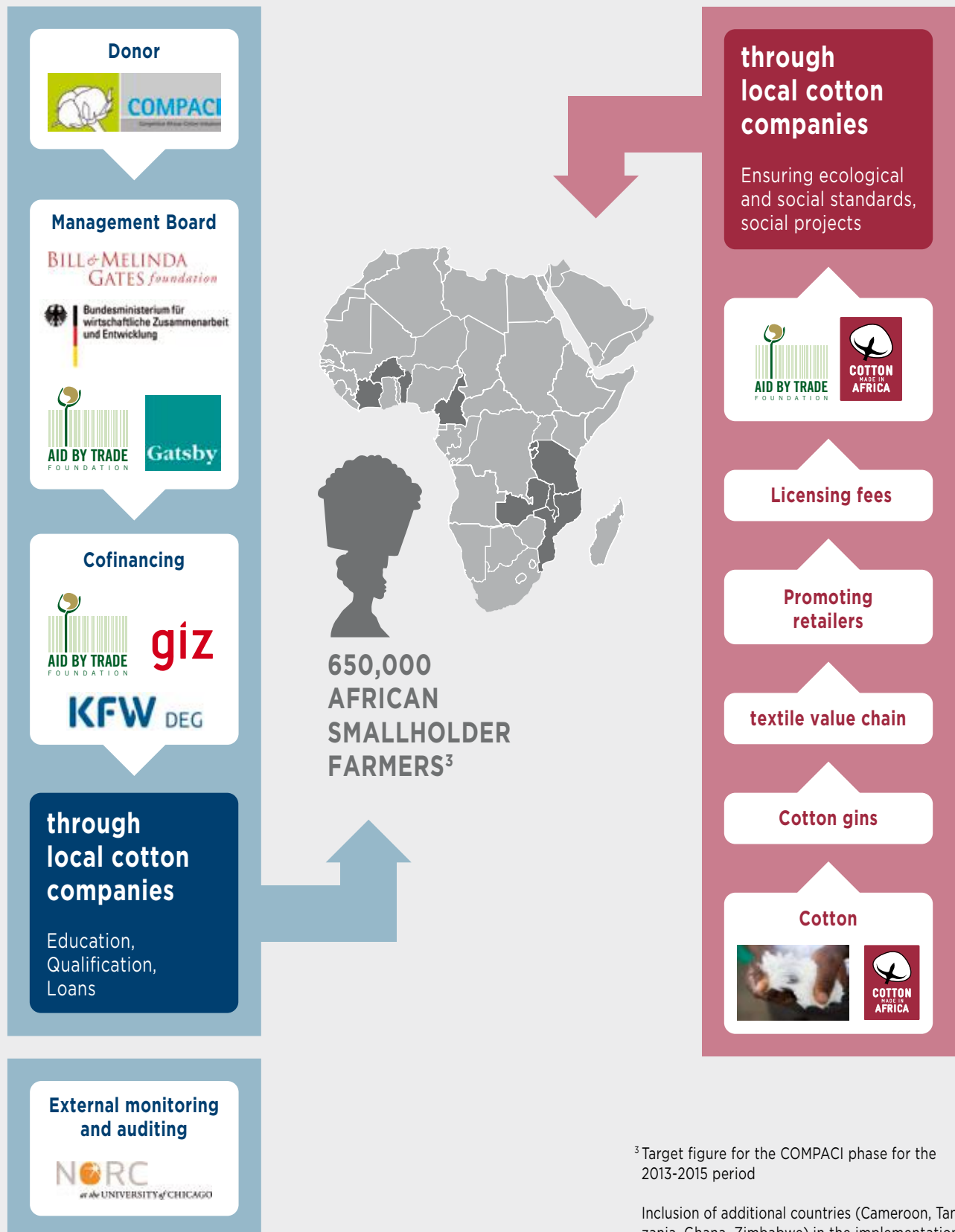
CURRENT IMPACT OF COMPACI AND COTTON MADE IN AFRICA

- As part of the COMPACI program, 470,000 farmers have contracts with cotton companies. Of this number, more than 435,000 have passed the Cotton made in Africa verification process.
- More than 315,000 producers attended training courses in agriculture.
- Increases in income are due to improved cotton production and/or improved quality of cotton (less contamination)
- 63,000 farmers benefit from micro-loans. With the help of African partners, measures, such as a loan that make it possible for smallholder farmers to obtain agricultural equipment, or subsidies for creating savings and credit cooperatives have been developed.
- 40,000 women are in women's cooperatives ("Women Clubs").

NUMBER OF PARTICIPATING SMALLHOLDER FARMERS IN 2012



IV. Planned Management Structure for COMPACI II (Period 2013–2015)





AID BY TRADE FOUNDATION

Bramfelder Chaussee 105 | 22177 Hamburg, Germany
Telephone: +49-40-6461-6848 | Email: info@abt-foundation.org
www.cottonmadeinafrica.org



COMPACI

c/o DEG-Deutsche Investitions- und Entwicklungsgesellschaft mbH,
Kämmergasse 22 | 50676 Cologne, Germany

