

Cotton made in Africa

Aggregated Verification Report 2021

Content

Introduction	3
1. Evolution of the CmiA standard: From CmiA Vol. 3.1 to CmiA Vol. 4	4
2. Overview of Verification Missions in 2021	6
3. Performance Results – 2021 Verifications	7
3.1 Core indicators	7
3.2 Results per CmiA principle	7
4. Verified Cotton Companies in 2021 and Cotton Production in the 2020/21 Season	9
5. Farmer Trainings provided by CmiA Cotton Companies	10
6. Implementation Support by AbTF.....	12

Figures

Figure 1 Overview of Newly Introduced Principles under Volume 4.....5
Figure 2 Total Number of Verifications by Region in 20216
Figure 3 Overview of Verifications 2021 per Audit Type and Region7
Figure 4 Average Ratings across Principles for Verifications 20219
Figure 5 Farmers at Market by Gender..... 10
Figure 6 Attendees of Farmer Trainings by Topic and Gender in the 2020/21 Harvesting Season
..... 11
Figure 7 Ratio of Female and Male Attendees in Farmer Trainings in 2020/21 Harvesting Season
..... 12

Tables

Table 1 CmiA Cotton Production Overview 2020 & 2021..... 10

Annexes

Annex A Map of Verified Partner Cotton Companies (CmiA and CmiA Organic) in 2021 15
Annex B List of Verified CmiA Cotton Companies with respective Sales License Status in 2021 16

Introduction

Cotton made in Africa (CmiA) is a well-recognised standard of the Aid by Trade Foundation (AbTF) that follows a continuous improvement approach for a sustainable development of the cotton sector in Sub-Saharan African countries. Compliance with the standard requirements is regularly monitored by third-party verifiers to give independent feedback to cotton companies on their performance and to ensure CmiA remains a credible standard that brands and retailers, and ultimately consumers can have confidence in. The verification is a tool which at the same time checks if the cotton companies comply with the standard minimum requirements, and independently assesses the success in continuously improving the sustainability performance, thus motivating the individual companies to further advance. By comparing verification results across the certified cotton companies, the Aid by Trade Foundation can analyse remaining challenges and jointly act with all relevant stakeholders to overcome those hurdles.

Independent and qualified third-party auditors regularly check the performance of cotton companies (“Managing Entity”) participating in CmiA, on farm level – i.e. related to the contracted small-holder farmers – and at the ginnery level – i.e. in one or more ginning factories – against the requirements of the Cotton made in Africa standards (CmiA and CmiA Organic). They check adherence to all *CmiA core indicators* and monitor continuous improvement concerning the implementation of the *CmiA improvement indicators*. Every cotton company must complete one full verification cycle before a certificate can be issued. According to the CmiA verification system, a verification cycle consists of two separate missions – one farm level verification, to verify if the farmers contracted by the respective cotton company follow the CmiA criteria and indicators, and one ginnery level verification, to verify if the work in the respective cotton company’s ginneries are compliant with the CmiA criteria and indicators outlined for the ginnery level. That means to obtain a CmiA certificate, two necessary verification missions are carried out, usually in two different calendar years.

This process ensures that CmiA's value proposition is observed: supporting African smallholder farmers achieve better living conditions for themselves and their families and continuously improve performance. The CmiA verified cotton companies offer different trainings to smallholder farmers to continuously improve their cultivation methods in a sustainable way, to enhance their social conditions and to advance the capacity as an important economic actor.

The annually published *Aggregated Verification Report* provides information on the results of 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 levels in line with the CmiA standards. The following chapters comprise an overview of the 2021 performance results of verified cotton companies, the verification management activities conducted by the Aid by Trade Foundation as well as the implementation support offered.

1. Evolution of the CmiA standard: From CmiA Vol. 3.1 to CmiA Vol. 4

Until end of 2020, the baseline for the CmiA verification and performance assessment was the CmiA Criteria Matrix Vol. 3.1. The matrix consisted of 17 Exclusion Criteria and 21 Sustainability Criteria (16 applicable to farm level and five applicable to ginnery level¹). The CmiA standard underwent a comprehensive revision process concluded at the end of 2020. The Standard Vol. 3.1 was succeeded by the Standard Vol. 4². In 2021, however, some verifications at the beginning of the year were still carried out based on Vol. 3.1, since verifiers and Managing Entities needed to be trained on Vol. 4. At the same time, 2021 was the first year to conduct verifications applying the criteria and indicators described in the new standard document.

As a result of the revision process, CmiA standard Vol 4 has become much more comprehensive and detailed. The Standard is composed of four chapters:

- **Management Pillar** sets out the requirements related to responsible business conduct, the verification process, and commitment to CmiA values.
- **People Pillar** contains requirements intended to define CmiA's understanding of small-scale farmers and to ensure decent working conditions, with a specific focus on the empowerment and development of women and children.
- **Planet Pillar** aims to cover the most pressing environmental issues and to define how cotton can be cultivated and ginned in a way that mitigates negative impacts while increasing the resilience of the agro-ecosystem and the environment of communities farming and ginning cotton in rural areas across Sub-Saharan Africa.
- **Prosperity Pillar** consists of requirements that enable cotton farmers to acquire fundamental business skills and to sustainably increase productivity and quality. On a broader scale, these requirements make it possible for communities to improve their livelihoods and resilience.

Each chapter is divided into three sections, i.e. three **principles** per pillar as shown in Figure 1: Overview of Newly Introduced Principles under Volume 4. The principles represent the aspirational goals and expectations that CmiA has with regard to the CmiA Managing Entities and farmers.

¹ The terms 'farm' and 'field' such as 'gin' and 'ginnery' are used synonymously in this report.

² The document is accessible under the link https://cottonmadeinafrica.org/wp-content/uploads/CMIA_Standard_ENG.pdf



Figure 1 Overview of Newly Introduced Principles under Volume 4

Each Principle contains several **criteria** (in total 58). The criteria are requirements that need to be met in order to fulfil a principle. In addition to the principles and criteria, there are also indicators, which are measurable aspects that enable verifiers to assess whether or not the corresponding criterion has been met. At the indicator level, the CmiA standard Vol. 4 distinguishes between **core and improvement indicators**. Core indicators must be fulfilled for a verified Managing Entity to obtain or maintain a CmiA certificate. A systemic non-compliance with a core indicator will lead to the denial or withdrawal of the Managing Entity's CmiA certificate. Non-compliance with improvement indicators does not, in itself, prevent a Managing Entity from obtaining a CmiA certificate. The responsibility for ensuring compliance with the CmiA principles, criteria, and indicators lies with the Managing Entity.

For both core and improvement indicators, verifiers may identify potential improvements, and it is up to the Managing Entity to create a **continuous-improvement plan (CIP)** to increase its' performance with regard to CmiA standard requirements.

Since the revised standards require considerably more comprehensive data from cotton companies, an IT company created the online *CmiA Assurance Platform (CAP)*. The system is used to submit self-assessments and for the entire verification process. Automatic data processing in the system improves data quality and all data is stored centrally so it is always accessible, making analyses easier. The platform went live in 2021.

If a Managing Entity wants to offer CmiA Organic, it must both meet the requirements of the CmiA standard Vol. 4 and must provide a certification to the IFOAM Family of Standards³ for organic cotton cultivation at the farm level. Verifiers have to complete the regular CmiA verification cycle for both the field and ginnery levels. However, there are a limited number of field-level indicators that are not necessarily applicable under certain conditions to organic cultivation. All other indicators do apply and need to be reported through the CmiA Assurance Platform. Furthermore, in case the Managing Entity produces cotton under different standards (or according to a standard and conventional), it needs to have procedures, records, and controls in place to segregate lint cotton produced under each one of the AbTF Standards (CmiA, CmiA Organic) from cotton produced under another standard or totally uncertified (conventional).

2. Overview of Verification Missions in 2021

To ensure reliable and independent verification, AbTF continued to mandate the two independent verification organizations AfriCert, based in Kenya, and Ecocert, based in Burkina Faso, to conduct CmiA verifications. A total of 21 African auditors carried out the verification missions.

In 2021, 30 verification missions were conducted at 22 partner cotton companies. 17 missions were commissioned to verify cotton production on field level and 13 to verify ginneries. Due to the COVID-19 pandemic, some regular verification missions could not be carried out in 2020, which were then postponed to 2021.

Looking at the regional distribution of conducted missions, a total of 16 verification missions took place with partners in the Northern hemisphere and 14 with partners in the Southern hemisphere (see Figure 2: Total Numbers of Verifications by Region 2021).

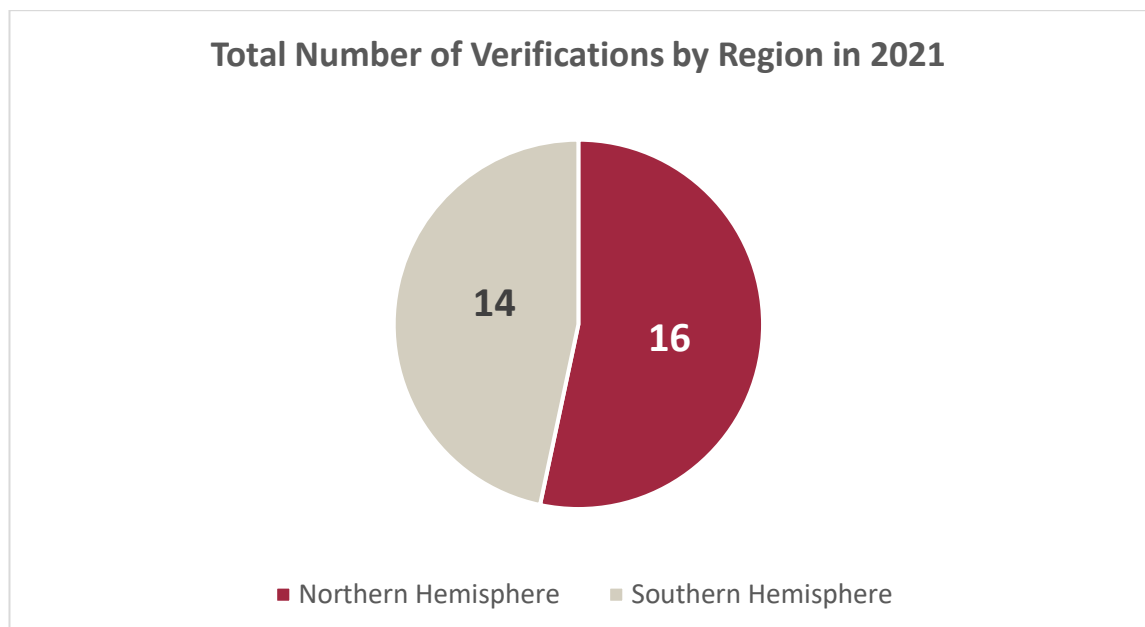


Figure 2 Total Number of Verifications by Region in 2021

³ <https://www.ifoam.bio/our-work/how/standards-certification/organic-guarantee-system/ifoam-family-standards>

Looking at the type of verifications, a total of 17 field-level verifications and 13 ginnery-level verifications were conducted. Looking at the regional distribution in relation to types of missions, eight field and five ginnery verifications were conducted in the Southern hemisphere while nine field and eight ginnery verifications took place in the Northern hemisphere (see Figure 3: Overview of Verifications 2021 per Audit type and Region).

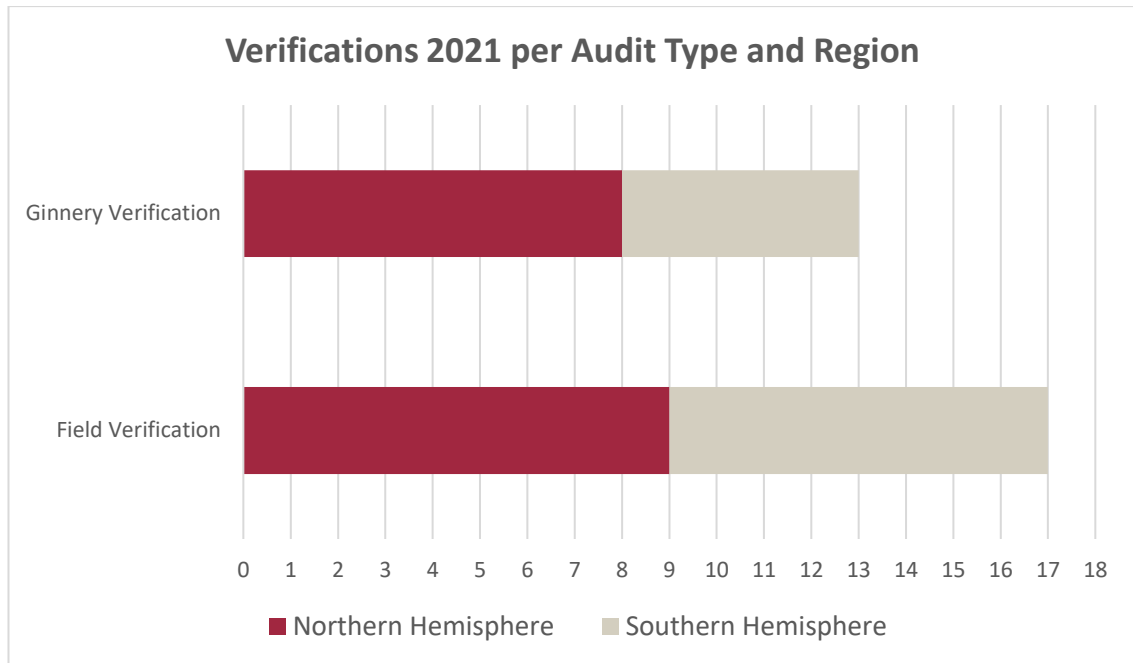


Figure 3 Overview of Verifications 2021 per Audit Type and Region

3. Performance Results – 2021 Verifications

AbTF certification builds on a two-years verification-cycle. Beside annual self-assessments, a cycle consists of a farm level verification in one year, complemented by a ginnery level verification in the other year. Since the transition from CmiA Volume 3.1 to CmiA Volume 4 makes a comparison difficult, performance levels in 2021 are presented on an aggregated level per principle.

3.1 Core indicators

CmiA aims at preserving human health and livelihoods as well as the natural environment. To reach these objectives, CmiA partners must not have a systemic non-compliance with core indicators. In order to better monitor progress of core indicators, there is a defined range of compliance levels which is assessed. For all 22 Managing Entities verified in 2021, verifications proved that none were found with a systemic non-compliance of core indicators of the CmiA-Standard.

3.2 Results per CmiA principle

Principles 1, 2 and 3 in the so-called Management Pillar now represent what was formerly covered by the Management Criteria in CmiA standard Vol. 3.1, which were simply assessed for compliance or non-compliance. With the transition to Vol. 4, those criteria were split into more

detailed indicators and are assessed against the same graduating compliance levels as all other indicators.

On average, the Managing Entities received fair ratings in the 2021 audits for all three principles in the Management Pillar. This is mostly due to additions in the new standard, which are yet to be implemented by the Managing Entities, such as the establishment of formal grievance mechanisms.

Principle 4 – “CmiA Managing Entities support small-scale farmers” – was rated highest among all Managing Entities. Without exception, verifications confirmed “excellent” level of compliance. The findings showed that at least 95% of farmers supported by the Managing Entities are small-scale and family farmers.

In **Principle 5** – “CmiA Managing Entities promote decent working conditions throughout all field and ginning operations” – audit findings were on average fair. Long-standing indicators, such as written contracts for farmers, employees and workers, continue to reach excellent ratings. Room for improvement can be observed in newly introduced indicators like the existence of various written plans and policies. Similar patterns are shown in **Principle 6** “CmiA Managing Entities respect the rights of children and promote gender equality”.

Principle 7 – “CmiA Managing Entities use land responsibly, enhance biodiversity, and protect the climate and the environment” – and **Principle 8** – “CmiA Managing Entities provide GMO-free cottonseeds and care for water and soil” – received medium ratings on average. Areas for improvement were identified in the establishment maps as well as topic-specific plans, whereas indicators concerning responsible land use, as well as the prohibition of irrigation and GMO-seeds have scored excellent ratings.

Principle 9 – “CmiA Managing Entities minimise the adverse effects of crop-protection practices” – has fair ratings on average. Managing Entities have received good ratings on training of farmers in IPPM practices and the safe storage and handing of pesticides. The training on and application of non-chemical methods of pest control as well as the establishment of a disposal system for chemical containers have been rated poorly and still need to be improved.

Both **Principles 10** – “CmiA Managing Entities provide CmiA-contracted farmers with access to high-quality inputs and input pre-financing” – and **11** – “CmiA Managing Entities assist CmiA-contracted farmers in sustainably increasing cotton productivity and fibre quality” – have been rated as good. Reliable and fair input pre-financing schemes as well as continuous provision of farmer trainings on Good Agricultural Practices in order to maximise productivity and fibre quality are demonstrated by all Managing Entities.

Finally, **Principle 12** – “CmiA Managing Entities enable CmiA-contracted farmers to improve their living conditions and resilience” – was rated medium on average. Managing Entities can still improve concerning training of farmers in basic business skills and keeping farm level records. Fair ratings could be achieved with regard to the diversification of agricultural production to ensure their family's food and nutrition security and to adapt to changes in the market or the climate.

Overall, the findings of the 2021 verifications show that Managing Entities already demonstrate decent knowledge and implementation of indicators which were already valid in CmiA Vol. 3.1. For the new and additional indicators of Vol. 4., it is expected that Managing Entities will improve continuously.

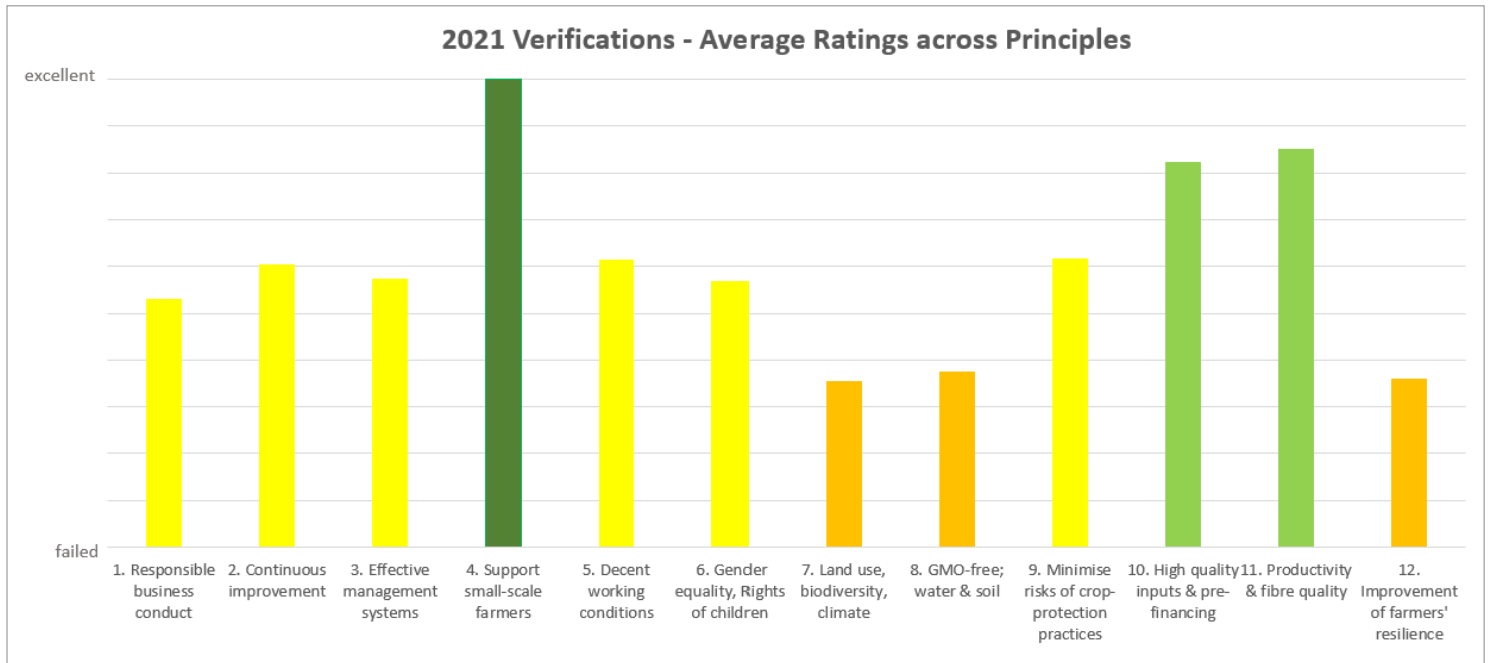


Figure 4 Average Ratings across Principles for Verifications 2021

4. Verified Cotton Companies in 2021 and Cotton Production in the 2020/21 Season

The number of cotton companies verified according to CmiA and CmiA Organic was reduced to 22 in 2021. With one cotton company in Mozambique the partnership ended, since the company closed down their business. Thus, in 2021, a total of 22 cotton companies in ten countries in sub-Saharan Africa were verified according to CmiA and CmiA Organic⁴. At the same time, two cotton companies, one in Togo and one in Ghana, as well as one NGO in Benin have joined as candidates for CmiA and CmiA Organic respectively. All three organisations have undergone the first verification of cotton production at field level in 2021.

All following reported production data for the 2020/21 season refers to the 22 cotton companies that were entitled to sell their 2020/2021 harvest under CmiA license. For the 2020/21 season, around 925,000 smallholder farmers delivered around 1,610,000 metric tons (mt) seed cotton to 22 verified cotton companies. They were cultivating cotton on nearly 1.7 million hectares as shown in Table 1: CmiA Cotton Production Overview 2020 & 2021. Among the cotton farmers at market⁵, 11% were female farmers with direct contractual relationship to the cotton companies and 89% were male farmers (see Figure 5: Farmers at Market by Gender).

⁴ See also Annex A and B for a detailed list and map of all certified CmiA and CmiA Organic cotton companies with their corresponding sales licence status.

⁵ Farmers at market are those who are actually delivering seed cotton for sales to the cotton company at the end of the season.

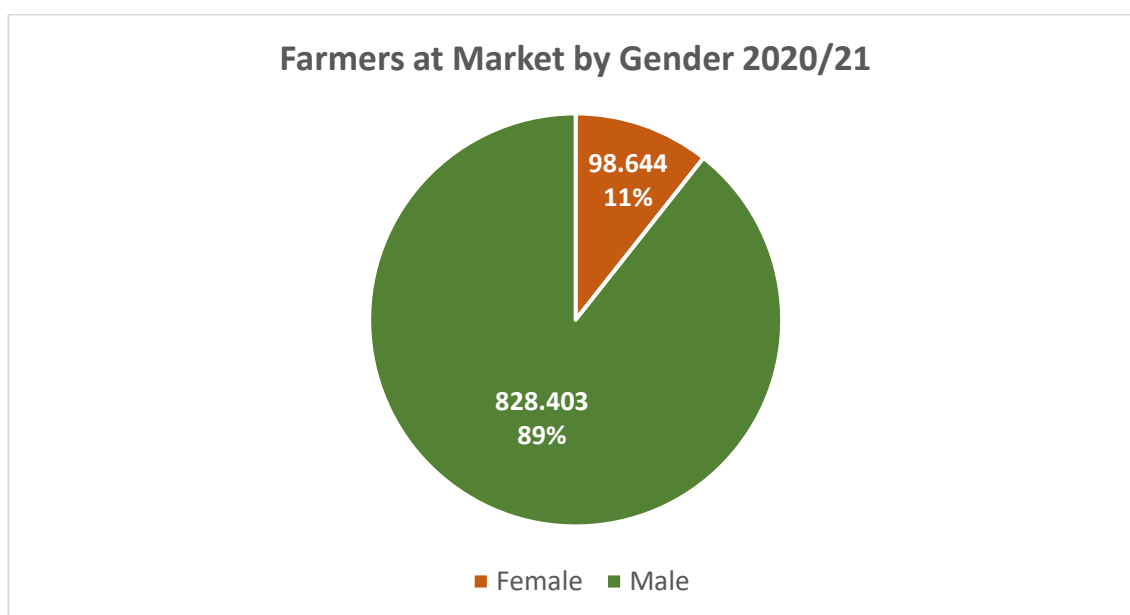


Figure 5 Farmers at Market by Gender

In the 2020/2021 season, cotton companies with CmiA status operated 68 ginneries, in addition ginning was sub-contracted to seven more ginneries⁶. The 22 cotton companies employed over 1,700 permanent and more than 7,200 seasonal workers. CmiA partners produced a total of ca. 690,000 mt of lint cotton.

	2020 (Harvest 2019/2020)	2021 (Harvest 2020/2021)
Companies	23	22
Farmers	1,017,393	926,747
Area (ha)	1,668,602	1,705,087
Seed cotton (mt)	1,467,866	1,613,921
Lint cotton (mt)	629,789	688,068

Table 1 CmiA Cotton Production Overview 2020 & 2021

5. Farmer Trainings provided by CmiA Cotton Companies

In the 2020/21 season, a total of 2,307,805 attendees participated in farmer trainings⁷ offered by CmiA verified cotton companies. Trainings are organised and planned by the Managing Entities and take the results of the verifications into account. Farmer trainings are key to success, to ensure proper implementation of the CmiA standard and to guarantee a sustainable

⁶ Sub-contracted ginneries need to comply to the CmiA standard in the same manner as those owned by the Managing Entity. Sub-contracted ginneries are verified within the scope of regular ginnery-level verifications.

⁷ Farmers who attended several trainings have been counted multiple times.

development. Topics regularly trained include all three aspects of sustainability and cover the following areas:

1. Good Agricultural Practices (GAP), including early land preparation, planting, thinning, gap filling, etc.,
2. Conservation techniques to improve soil fertility and soil health (including water-management),
3. Integrated Plant and Pest Management (IPPM),
4. The proper use and storage of pesticides as well as the disposal of the empty chemical containers,
5. CmiA Child labour criteria, Gender and HIV awareness,
6. Business skills, like the Farmer Business Schools concept and cotton agronomy topics in general,
7. Post-Harvest handling techniques and grading of seed cotton (including good management practices for harvest and storage of seed cotton).

Figure 6 below indicates the numbers of male and female attendees of farm level training per topic in the 2020/21 season.

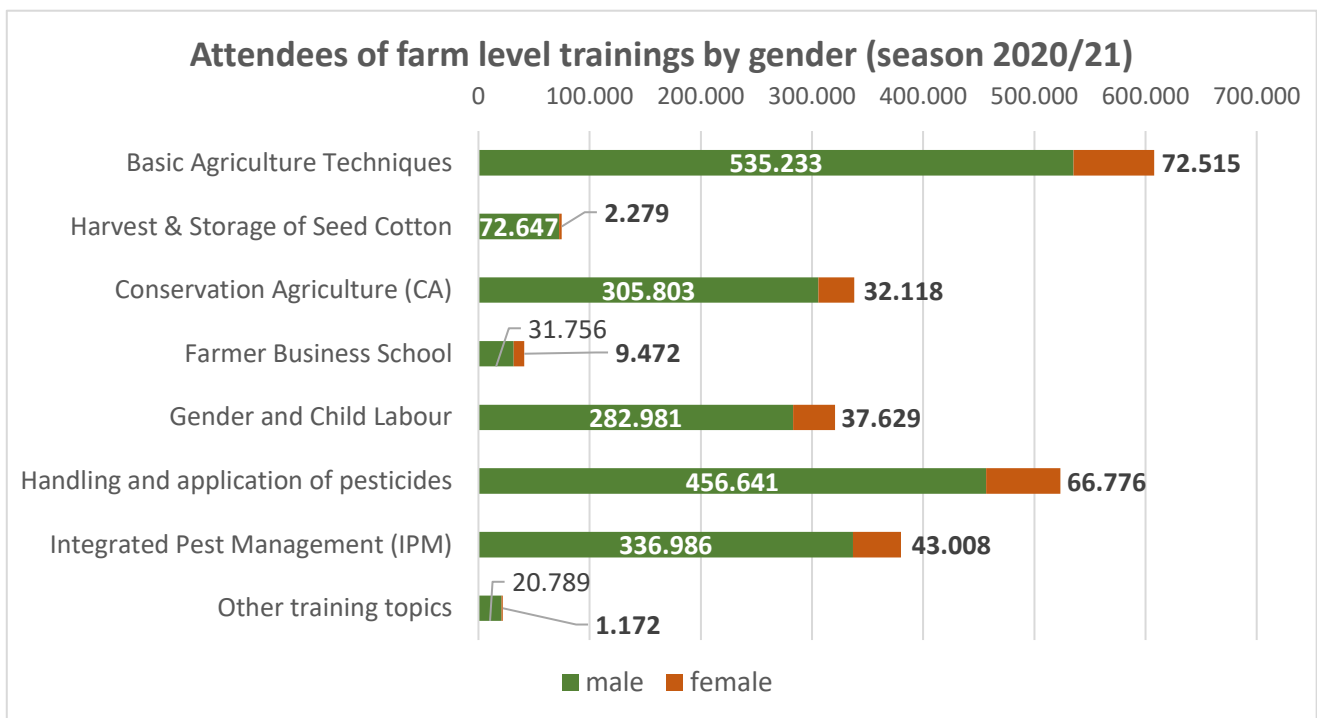


Figure 6 Attendees of Farmer Trainings by Topic and Gender in the 2020/21 Harvesting Season

It is important to point out that some topics (like GAP) consist of several training sessions that are conducted in line with the activities on the field throughout the season. Other training content, for example on CmiA child labour criteria, Gender and HIV, are usually integrated into other agronomic training sessions or even other interventions with farmers (e.g. sensitization sessions prior to contracting farmers).

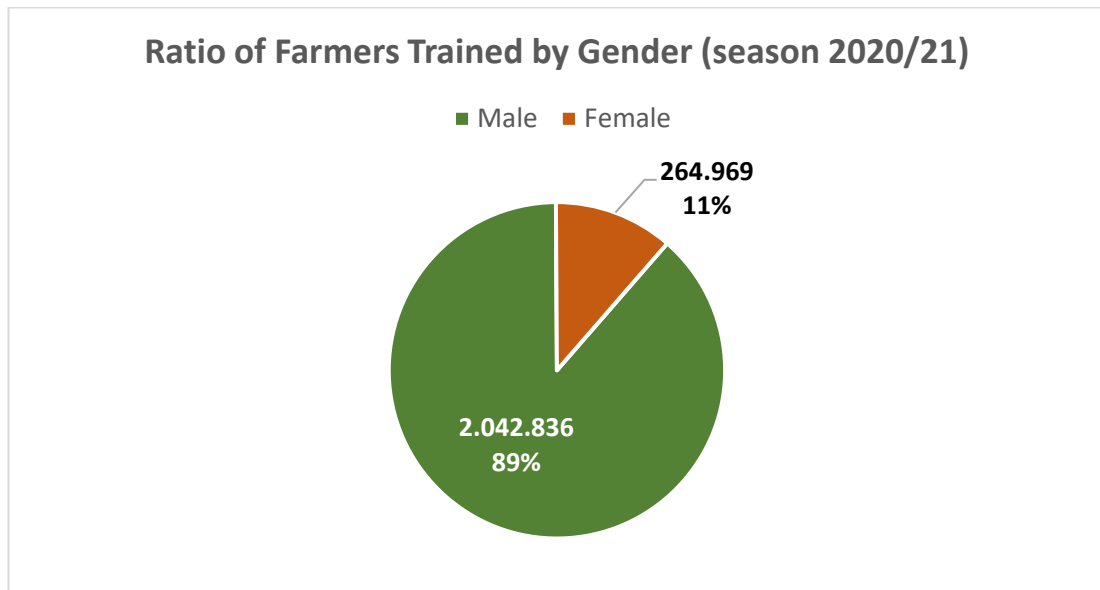


Figure 7 Ratio of Female and Male Attendees in Farmer Trainings in 2020/21 Harvesting Season

With the given share of 11% of female farmers amongst the total CmiA-contracted farmer base (see Figure 5: Farmers at Market by Gender), data on the ratio of farmers trained by gender indicates a gender-balanced representation of farmers in training sessions, as 11% of all farmers trained in 2020/21 were female (see Figure 7: Ratio of Female and Male Attendees in Farmer Trainings in 2020/21 Harvesting Season).

6. Implementation Support by AbTF

The Aid by Trade Foundation (AbTF) supported the implementation of activities that contribute to a more sustainable cotton production in different ways:

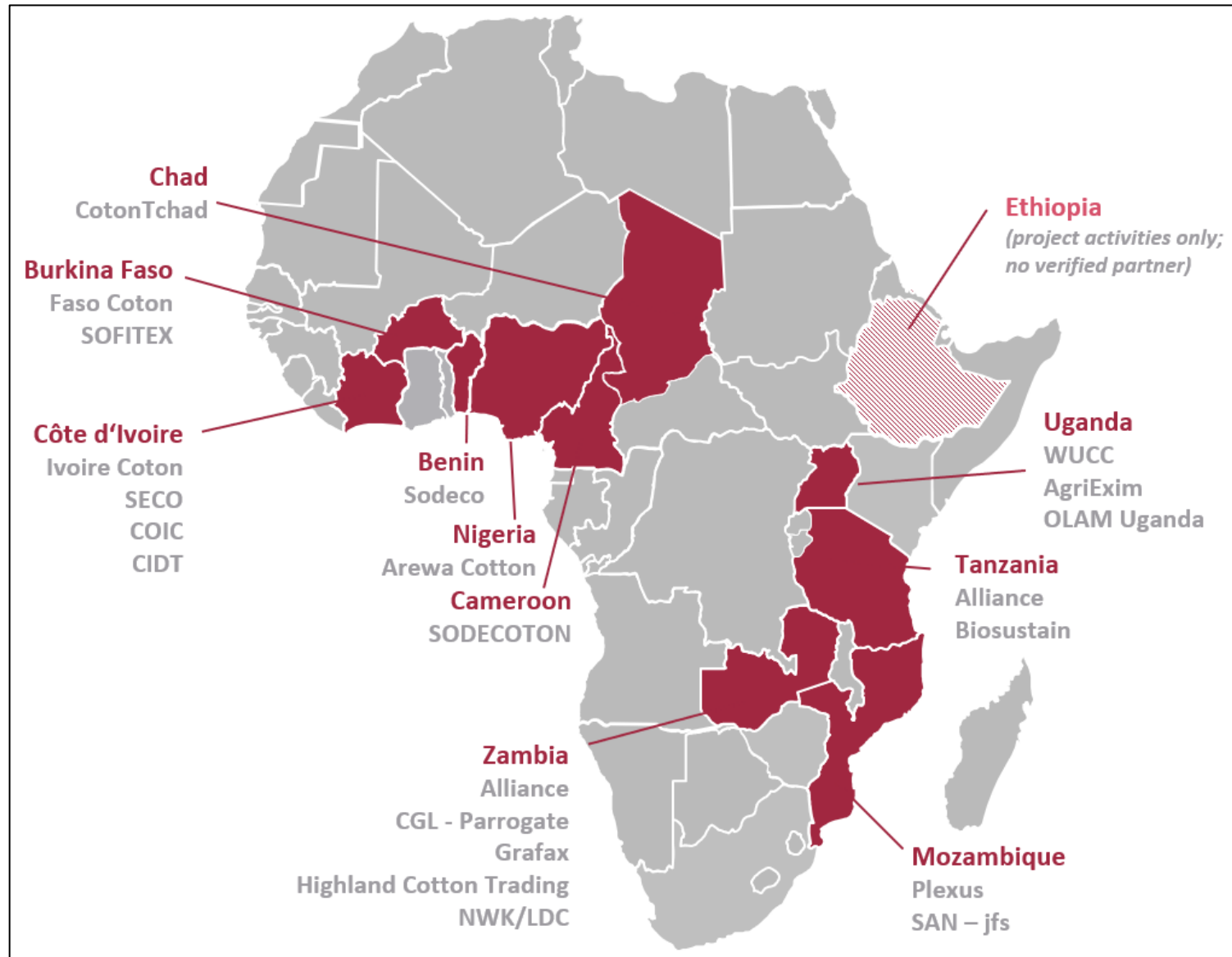
- Given that travel was not possible until quite late in the year, the Standard & Outreach Department conducted a series of webinars for African partners: At the start of 2021, partners in the southern hemisphere learned how to use the new CmiA Assurance Platform at a webinar. Partners submitted their self-assessments via the platform for the first time, which went quite well thanks to the support provided by AbTF. Corresponding seminars for partners in the northern hemisphere followed in July, since these partners need to submit their self-assessments at the start of the planting season there. Two additional webinars were offered in July: The first provided an overview of CmiA Vol. 4 and the second addressed the new requirements under the 'management pillar'. Webinars were offered in English and in French. Additionally, two experts from the NAP Helpdesk Business & Human Rights from the Agency for Business & Economic Development agreed to offer a webinar on complaint procedures. The webinar was held in English and simultaneously translated into French.
- In January 2020, the AbTF joined in the efforts of a project consortium on a water stewardship project funded by the Swiss Agency for Development and Cooperation (SDC). As an equal consortium partner, AbTF is cooperating with The Alliance for Water Stewardship (AWS) from the UK, AWS Africa delivery partner Water Witness International, The Carbon Disclosure Project (CDP), also headquartered in the UK, and Solidaridad's Ethiopian country office. The project's mission is to reduce the water pollution caused by the textile and clothing sector by involving stakeholder groups along the entire supply chain in the responsible

management of water resources. The AbTF primarily focuses on developing training modules for smallholder farmers on effective water stewardship in Ethiopia. These modules will be transferrable to other CmiA growing regions. In 2021, the second year of the three-year project, the AbTF was instrumental in carrying out a baseline survey on water management opportunities and challenges in the Ethiopian cotton sector. Training materials on water management in the cotton growing sector were developed, then presented to a variety of stakeholders in the Ethiopian cotton sector, including representatives of Ethiopia's Ministry of Agriculture, at a workshop in Addis Ababa. Partner organisation Solidaridad tested these materials in training seminars held with farmers. The resulting feedback will be used to revise and finalise the materials.

- The Ana Kwa Ana Foundation, whose mission includes promoting women's rights and independence, donated funds to the AbTF earmarked for targeted measures for the advancement of women in Zambia. The new project phase begun in May 2020 was continued in 2021. Additional positions for "gender officers" were co-financed at three verified cotton companies. While the first phase focused primarily on field activities, the second phase addresses ginneries and the professional development of the gender officers. They attended training seminars funded by the program on topics such as monitoring and evaluation. The gender officers then organised workshops in the farming communities on gender-sensitive issues, such as equality between men and women. They also raised the awareness of ginny staff to issues like harassment and discrimination in the workplace.
- In November 2021, the AbTF invited one representative from every cotton company from Nigeria, Mozambique, Zambia, Tanzania and Uganda to attend a CmiA regional workshop in Lusaka (Zambia). Over the course of the two-day event, a total of 19 participants learned more about the specific requirements that are new to the CmiA standard Vol. 4, while also providing feedback from partners about the newly developed training materials. In addition to the cotton company representatives, two CmiA consultants and a representative from the African Cotton Foundation and one from the We Effect NGO took part in the workshop.
- Following the workshop, the Standard & Outreach team worked with the two consultants to take a closer look at a newly set up of an organic cotton project of one Zambian partner over the course of two days. They visited a total of three groups of farmers, one each from the Choma, Rufunsa and Luangwa districts, and engaged in brief exchange about their experience planting cotton and their interest in organic farming.
- In November 2021, the "Growing Benin's Organic Cotton Sector" project kicked off. It is coordinated by PAN UK and implemented by the non-governmental organization OBEPAB (Organisation Béninoise pour la Promotion de l'Agriculture Biologique), with the Aid by Trade foundation and a Swiss cotton trader cotton as additional consortium members. Over the course of three years, the project aims to certify a total of 9,000 farmers in CmiA Organic, improve their living conditions, and secure long-term investments in Benin's cotton sector via expanded access to the market through CmiA.
- In December 2021, the AbTF launched an additional consortium project with "CAR-iSMa: Climate Adaptation and Resilience – A pan-African learning & knowledge exchange project on improved soil management". The project is being co-financed by the German Ministry for Economic Cooperation and Development (BMZ) as part of the GIZ Sub-Saharan Cotton Initiative. Three cotton companies – one in Côte d'Ivoire, one in Mozambique and one in Zambia are local project partners. The consortium is completed by another Swiss cotton trader. The project aims to improve basic living conditions for smallholder farmers through sustainable production methods for soil management, strengthening their resilience while at the same time mitigating climate change. Around 100,000 cotton farmers are projected

to profit from this intervention. An additional project focus is on knowledge sharing among cotton companies and across national borders. The knowledge generated by the project will be fed into the wider CmiA partner network and used to advance production methods on the entire continent once the project is complete. The project runs for a period of three years and shall be completed at the end of November 2024.

Annex A Map of Verified Partner Cotton Companies (CmiA and CmiA Organic) in 2021



Annex B List of Verified CmiA Cotton Companies with respective Sales License Status in 2021

Country	Cotton Company	CmiA Certificate	BCI Benchmark	CmiA Certificate (valid to → indicated crop season*)
Benin	SODECO (Péhunco gin only)	yes	yes	31.12.2021 → crop 2021/22
Burkina Faso	Faso Coton	yes	yes	31.12.2021 → crop 2021/22
Burkina Faso	SOFITEX	yes	yes	31.12.2021 → crop 2021/22
Cameroon	SODECOTON	yes	yes	31.12.2021 → crop 2021/22
Chad	COTONTCHAD SN	Yes	No	31.12.2021 → crop 2021/22
Côte d'Ivoire	CIDT	yes	yes	31.12.2022 → crop 2022/23
Côte d'Ivoire	CO.I.C.	yes	yes	31.12.2022 → crop 2022/23
Côte d'Ivoire	Ivoire Coton	yes	yes	31.12.2021 → crop 2021/22
Côte d'Ivoire	SECO	yes	yes	31.12.2021 → crop 2021/22
Mozambique	Plexus	yes	yes	30.06.2023 → crop 2022/23
Mozambique	SAN jfs Holding	yes	<i>Verified by BCI independently</i>	30.06.2023 → crop 2022/23
Nigeria	AREWA Cotton	yes	yes	31.12.2021 → crop 2021/22
Tanzania	Alliance Ginneries Ltd.	yes	yes	30.06.2023 → crop 2022/23
Tanzania	Biosustain	yes (Organic)	yes	30.06.2023 → crop 2022/23
Uganda	WUCC	yes	yes	31.12.2022 → crop 2022/23
Uganda	AgriExim	yes	yes	31.12.2021 → crop 2021/22
Uganda	OLAM Uganda	yes	yes	31.12.2021 → crop 2021/22
Zambia	Alliance Ginneries Ltd.	yes	yes	30.06.2022 → crop 2021/22
Zambia	Louis Dreyfus Company Zambia (formerly NWK Agri-Services)	yes	yes	30.06.2022 → crop 2021/22
Zambia	Continental Ginnery Limited/ Parrogate	yes	yes	30.06.2022 → crop 2021/22
Zambia	Grafax Cotton Limited	yes	yes	30.06.2021 → crop 2020/21
Zambia	Highland Cotton Trading /Parrogate	yes	yes	30.06.2022 → crop 2021/22