



Cotton made in Africa

Aggregated Verification Report 2019

Content

1. Introduction	3
2. CmiA	4
2.1 Criteria for Standard Vol. 3.1	4
2.1.1 Exclusion Criteria.....	4
2.1.2 Sustainability Criteria	6
2.1 CmiA Organic.....	7
3. Overview of Verification Missions in 2019	7
3.1 Third Party Verifiers	7
3.2 Cotton Companies verified	7
3.3 Verifications by Region and Audit Type	7
4. Performance Results – 2019 Verifications	9
4.1 Exclusion Criteria.....	9
4.2 Results of Farm Level Sustainability Criteria Verifications in 2019.....	9
4.3 Results of Ginnery Level Sustainability Criteria Verifications in 2019	12
5. Trends and Developments – 2017/2019 Performance Cohorts	14
5.1 Farm Level Sustainability Performance of 2017/2019 Cohort.....	14
5.1.1 Realized Improvements on Farm Level of 2017/2019 Cohort.....	14
5.1.2 Remaining Challenges on Farm Level of 2017/2019 Cohort.....	17
5.2 Ginnery Level Sustainability Performance of 2017-2019 Cohort	18
5.2.1 Realized Improvements on Ginnery Level of 2017/2019 Cohort	18
5.2.2 Remaining Challenges on Ginnery Level of 2017/2019 Cohort	20
6. Verified Cotton Companies in 2019 and Cotton Production in the 2018/19 Season	21
7. Farmer Trainings provided by CmiA Cotton Companies	23
8. Implementation Support by AbTF	25
9. AbTF Verification Management Activities	26

Figures

Figure 1 Total Number of Verifications by Region in 2019	8
Figure 2 Overview of Verifications 2019 per Audit Type and Region	8
Figure 3 Aggregated Farm Level Sustainability Criteria Ratings in Percent of the 9 Farm Level Verifications in 2019	10
Figure 4 Numeric Overview of Criteria Ratings by Criterion of the 9 Farm Level Verifications in 2019	11
Figure 5 Aggregated Ginnery Sustainability Criteria Ratings in Percent of the 12 Ginnery Level Verifications in 2019	12
Figure 6 Numeric Overview of the Sustainability Criteria Ratings by Criterion of the 12 Ginnery Level Verifications in 2019	13
Figure 7 Aggregated Farm Level Sustainability Ratings of the 2017/2019 cohort	15
Figure 8 Aggregated Gin Level Sustainability Ratings of 2017/2019 Cohort	19
Figure 9 Farmers at market by gender contracted by CmiA certified cotton companies in the 2018/19 season	21
Figure 10 Attendees of Farmer Trainings per Topic and by Gender in the 2018/2019 Harvesting Season	23
Figure 11 Ratio of female and male Attendees in Farmer Trainings in 2018/2019 Harvesting Season	24

Tables

Table 1 Exclusion Criteria of CmiA Standard Matrix	5
Table 2 Sustainability Criteria of CmiA Standard Matrix (Farm and Ginnery Level)	6
Table 3 Numeric Overview of Farm Level Sustainability Criteria Ratings in 2019	10
Table 4 Numeric Overview of Ginnery Level Sustainability Criteria Ratings in 2019	12
Table 5 Distribution of Criteria Ratings by Criterion in Percent for the Farm Level 2017/2019 cohort	16
Table 6 Distribution of Criteria Ratings by Criterion in Percent for the Ginnery Level 2017/2019 Cohort	19
Table 7 CmiA Cotton Production 2018 & 2019	22

Annexes

Annex A Map of Verified Partner Cotton Companies (CmiA and CmiA Organic) in 2019	27
Annex B List of Verified CmiA Cotton Companies with respective Sales License Status in 2019	279

1. 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 economy in Sub-Saharan African countries. Compliance with the standard requirements are 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, Cotton made in Africa can analyse remaining challenges and jointly act with all relevant stakeholders to overcome those hurdles.

This report gives an overview of the verification missions and results of the year 2019 and shows the progress in improved knowledge and application of learnings both from cotton companies and contracted smallholder farmers.

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 full compliance with all *CmiA Exclusion Criteria* and monitor continuous improvement concerning the implementation of the *CmiA Sustainability Criteria*. Every cotton company must complete one full verification cycle. 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 respect the Exclusion Criteria and adhere to the CmiA Sustainability Criteria on farm level, and one ginnery level verification, to verify if the work in the respective cotton company’s ginnery/ies is compliant with the CmiA exclusion and Sustainability Criteria 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 according to the CmiA Sustainability Criteria.

The CmiA certified 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 (people, planet, profit).

The annually published *Aggregated Verification Report* provides information on the results of the last years’ verification missions, serves as a reference to monitor future verifications and helps to continuously revise and improve the work on farm and ginnery level according to the Sustainability Criteria of Cotton made in Africa. The following chapters hence comprise an overview of the 2019 performance results of verified cotton companies, the verification management activities conducted by the Aid by Trade Foundation as well as the implementation support offered.

2. CmiA

2.1 Criteria for Standard Vol. 3.1

Baseline for the CmiA verification and performance assessment is the CmiA Criteria Matrix¹. The matrix consists of 17 Exclusion Criteria and 21 Sustainability Criteria (16 applicable to farm level and five applicable to ginnery level²). A traffic light system (red = lowest ranking, yellow = middle ranking; green = best ranking) is used to assess levels of achievement. The Managing Entity is responsible to manage the improvements. Based on the findings and recommendations of a verification, the Managing Entity defines its own Management Plan where it outlines priority areas for further improvement. The overall objective is to stepwise achieve a better ranking on criteria which have not yet reached the green level, and in the long-term perform on best practice level for a sustainable cotton production.

2.1.1 Exclusion Criteria

CmiA aims at preserving human health and livelihoods as well as the natural environment. As foundation for any cooperation with AbTF in achieving these objectives, partners must measure up to the 17 Exclusion Criteria of the CmiA standard. An overview of the Exclusion Criteria is provided in Table 1.

All Exclusion Criteria must be met by the verified cotton companies in order to have a CmiA certificate issued.

Exclusion Criteria	
1	Managing Entities of which <ul style="list-style-type: none"> - farmers cultivating more than 20 ha of cotton represent - more than 10% of the total cultivated surface and / or- more than 5% of farmers
2	Cotton production under irrigation
3	Worst forms of child labour (as defined by ILO-Conventions 138 and 182). Exceptionally, in the case of family smallholdings, children may help on their family's farm provided that the work is not liable to damage their health, safety, well-being, education or development, and that they are supervised by adults and given appropriate training
4	Trafficking of persons (as defined by UN Palermo Protocols)
5	Bonded or forced labour (as defined by ILO Convention 29 and 105)
6a	Discouraging foundation and/or membership of/in institutional structures (Discouraging Freedom of Association, as defined by ILO Convention 87)
6b	Discouraging and/or ignorance of the right to and the outcomes of Collective Bargaining (as defined by ILO Convention 98)
7	Cutting of primary forest or destruction of other forms of national resources which are designated and protected by national law or international legislation (currently valid) in order to cultivate cotton.

¹ The document is accessible under the link <http://www.cottonmadeinafrica.org/en/materials/cmia-standard/cmia-standards-documents>

² The terms 'farm' and 'field' such as 'gin' and 'ginnery' are used synonymously in this report.

	International legislation: a) Important Bird Areas (IBA) - www.birdlife.org/datazone/site b) b) World Heritage Sites / IUCN Categories I-IV: http://www.protectedplanet.net/ c) Ramsar Convention on Wetlands: http://www.ramsar.org/pdf/sitelist.pdf
8	Non-submission of input and production data in annual self-assessments as prescribed by AbTF.
9	Use of pesticides banned under the Stockholm Convention on Persistent Organic Pollutants (POPs), the WHO list of highly hazardous and hazardous pesticides, and pesticides listed in the Rotterdam Convention on Prior Informed Consent Procedure for Certain Hazardous Chemicals and Pesticides in International Trade (PIC): a) Rotterdam Convention: Annex III (page 29 ff): http://www.pic.int/Portals/5/download.aspx?d=RC_Convention_Text_2011_English.pdf b) WHO list of hazardous pesticides class 1a and 1b (page 19ff): http://www.who.int/ipcs/publications/pesticides_hazard_2009.pdf
10	Pesticides are not prepared and applied by persons who are: - not healthy - not skilled and trained in the application of pesticides - not eighteen years or older - pregnant or nursing
11	Non-submission of verifiable list of pesticides, the corresponding active ingredients utilized and volumes (e.g. litres and/or kilogrammes) traded with farmer base during the most recent season in annual self-assessments.
12	Use of nationally approved pesticides registered for the use in cotton cultivation, but not labelled according to national standards and not labelled in at least one of the national languages.
13	The Managing Entity has no time-bound plan regarding the introduction of integrated pest management, defined as: - growing of a healthy crop - prevention of build-up of pest populations - preservation and enhancement of populations of beneficial insects - regular field observations of the crop's health and key pest and beneficial insects - management of resistance.
14	Commercial growing of GMO-Cotton
15	Immoral transactions in business relations defined by international covenants, national law and practices (practices that are not in contradiction with national law): OECD Guidelines (in the field of competition): - abuse market power or dominance - acquire market power or dominance by means other than efficient performance - engage in anti-competitive agreements or arrangements (whether formal or informal) Exception: concession areas/zones awarded/endorsed by government (e.g. Mozambique)
16	Non-respect of the principle of equal remuneration for men and women workers for work of equal value (as defined in ILO Convention 100, Art. 1)
17	Discrimination in the workplace (as defined in ILO Convention 111)

Table 1 Exclusion Criteria of CmiA Standard Matrix

For the aggregated performance result in 2019 specifically concerning the Exclusion Criteria see chapter 4.1. Exclusion Criteria in this report.

2.1.2 Sustainability Criteria

The Sustainability Criteria are guidelines for continuous improvement. To produce cotton according to Cotton made in Africa standards, Managing Entities need to consider these so-called Sustainability Criteria and meet them progressively. They are defined for the farm level as well as for the ginnery level.

The farm level covers six different intervention areas with 16 Sustainability Criteria, while the ginnery level includes five Sustainability Criteria.

Farm Level Criteria		Ginnery Level Criteria	
1	Social welfare programs	1	Labour contracts in ginneries
2a	Written Contracts	2	Working hours in ginneries are regulated and overtime work is remunerated
2b	Equal rights regarding gender	3	Wages in ginneries comply with national law or sector agreements
3a	Soil and water conservation	4	Employer assures proper occupational health and safety conditions in gins including and not limited to dust and noise reduction measures and PPE for dust protection and noise reduction
3b	Crop rotation	6	Environmental Management Plan
4a	Pesticide management		
4b	Storage and transport of pesticides		
4c	Spraying of pesticides and health protection		
4d	Disposal of empty plant protection chemical containers		
4e	Integrated Pest management/ pest threshold		
5	Training to improve farmers skills and capacities		
6a	Pre-financing of inputs		
6b	Transparency of input and cotton seed prices for farmers		
6c	A transparent system to grade seed cotton		
6d	Maximising fibre and lint quality through improved harvesting and post harvesting techniques		
6e	Payment of cotton farmers		

Table 2 Sustainability Criteria of CmiA Standard Matrix (Farm and Ginnery Level)

For the aggregated results of 2019 see chapter 4.2 Results of Farm Level Sustainability Criteria Verifications in 2019 and 4.3 Results of Ginnery Level Sustainability Criteria Verifications in 2019 this report.

2.2 CmiA Organic

CmiA Organic is attributive to the CmiA Standard. Thus, a CmiA Organic Unit is verified against the Criteria Matrix for CmiA Organic³. A Managing Entity needs to provide certification with one of the recommended Organic Certifications. 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, SCS, CmiA Organic) from cotton produced under another standard (including other AbTF standards) or conventional cotton.

3. Overview of Verification Missions in 2019

3.1 Third Party Verifiers

To ensure reliable and independent verification, AbTF continued to mandate two professional verification organizations, namely AfriCert, based in Kenya, and EcoCert, based in Burkina Faso, to conduct CmiA verifications. 15 auditors carried out the verification missions.

3.2 Cotton Companies verified

In total, 20 Managing Entities have been verified in 2019. Out of these, eight have been verified on field level and 11 on gin level, a new entrant both on field level and on ginnery level.

All 20 were verified against the CmiA Standard based on Criteria Matrix version 3.1. One Managing Entity was additionally verified during the verification mission according to the CmiA Organic Standard.

Two Managing Entities (one in Burkina Faso and one in Ethiopia) could not be verified because of security reasons in the areas of operation. Missions have been put on hold until conditions allow further verifications. No new certificates were issued, since it was impossible to conduct a verification mission a second year in a row.

For three Managing Entities, verifications conducted during 2019 were part of their initial verification cycle to become new certified CmiA partners. One of these three completed the initial verification cycle (of one field and one gin verification) already within one year and joined CmiA as new partner in 2019. Once the remaining two Managing Entities successfully pass the following CmiA verifications planned for 2020, they will be entitled to sell CmiA cotton under CmiA license joining the group of CmiA partners in 2020 as well.

3.3 Verifications by Region and Audit Type

In total 21 verification missions were conducted in 2019. Looking at the regional distribution of these missions, a total of 14 verifications took place with partners in the northern hemisphere and seven with partners in the southern hemisphere (see Figure 1: Total Numbers of Verifications by Region 2019).

³ The document is accessible under the link <https://www.cottonmadeinafrica.org/de/materialien/cmia-standard/cmia-standard-3/5-cmia-organic-criteria-matrix-2013/file>

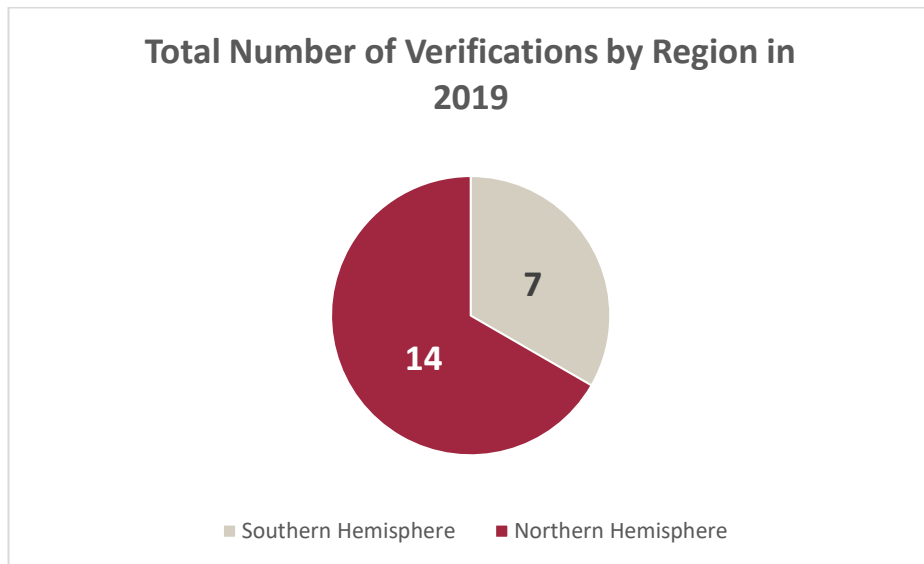


Figure 1 Total Number of Verifications by Region in 2019

Focusing on the type of verifications, a total of nine field verifications and 12 gin verifications were conducted. Looking at the regional distribution in relation to types of missions, three field verifications and four ginnery verifications were conducted in the southern hemisphere while six field verifications and eight ginnery verifications took place in the northern hemisphere (see Figure 2: Overview of Verifications 2019 per Audit type and Region).

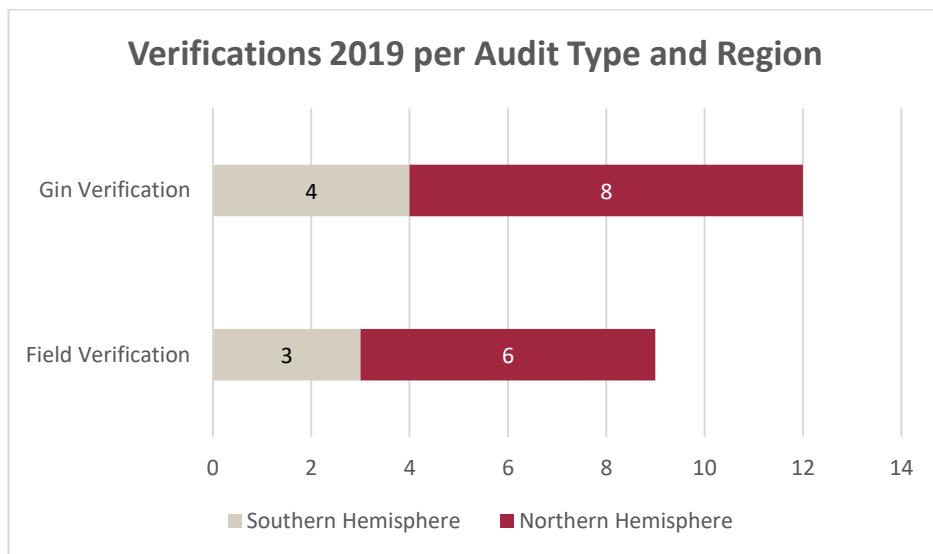


Figure 2 Overview of Verifications 2019 per Audit Type and Region

4. Performance Results – 2019 Verifications

AbTF certification builds on a two years verification-cycle. Beside annual self-assessments, this cycle consist of a farm level verification in one year, complimented by a ginnery level verification in the other year of the cycle.

Performance levels in 2019 are presented in the respective sections on Exclusion Criteria (4.1), Results of Farm Level Sustainability Criteria Verifications in 2019 (4.2) and Results of Ginnery Level Sustainability Criteria Verifications in 2019 (4.3).

4.1 Exclusion Criteria

CmiA aims at preserving human health and livelihoods as well as the natural environment. To reach these objectives, CmiA partners must comply with the Exclusion Criteria. Verification missions in 2019 identified one Managing Entity not being in accordance with one of the 17 Exclusion Criteria of the CmiA Standard (specifically Criterion 5 – forced labour - hiring prisoners to work in the ginnery, not in line with ILO clearly defined criteria to accept such labour). In this case, the Managing Entity had to stop this practice. A follow-up mission is scheduled for 2020 to check compliance during the ginning season. The auditors have to confirm compliance. Otherwise, the partnership with CmiA would be stopped.

For the remaining 19 Managing Entities verified in 2019, verifications proved that they comply 100% with the Exclusion Criteria of the CmiA-Standard.

4.2 Results of Farm Level Sustainability Criteria Verifications in 2019

In total, nine farm level verifications were carried out. Verifications showed that CmiA cotton companies achieve best practice level for the majority of the criteria with almost 60% of all ratings being green.

Out of all nine Managing Entities verified on field level in 2019, five did not show any red (non-sustainable) rating on any of the 16 Sustainability Criteria. In total, six red ratings were given. Two companies received each one red rating, while two companies received two red ratings. Meanwhile, the best performing entity reached 14 green ratings, and only two yellow ratings. For seven out of the nine farm level verified Managing Entities, green dominated the farm level sustainability performance, while for the remaining two Managing Entities yellow dominated. Green ratings therefore dominated the ratings of farm level sustainability of the majority of Managing Entities verified. As the aggregated results indicate, Managing Entities show a significant tendency towards better (yellow) und especially best (green) performance ratings regarding the Sustainability Criteria on Farm Level in 2019.

2019				
	Farm Level Criteria	Total "red"	Total "yellow"	Total "green"
1	Social Welfare Programms		6	3
2a	Freedom of bargaining and written contracts	2	2	5
2b	Equal rights regarding gender		4	5
3a	Soil and water conservation and water run-off management		5	4
3b	Crop rotation		4	5
4a	Pesticide Management		1	8
4b	Storage and transport of pesticides		4	5
4c	Spraying of pesticides and health protection		8	1
4d	Disposal of empty plant protection chemical containers		5	4
4e	Integrated Pest Management / pest thresholds	1	7	1
5	Training to improve farmer's skills and capacities		2	7
6a	Pre-financing of inputs		2	7
6b	Transparency of input and cotton seed prices for farmers		2	7
6c	A transparent system to grade seed cotton is in place	3		6
6d	Maximising fibre and lint quality		1	8
6e	Payment of cotton to farmers			9
TOTAL		6	53	85

Table 3 Numeric Overview of Farm Level Sustainability Criteria Ratings in 2019

Given the 16 criteria and nine Managing Entities verified in 2019, a total of 144 ratings were given on Farm Level Sustainability Criteria. Out of these, six ratings were red leading to only 4,2% of all ratings to be scored on the lowest level of performance (see Figure 3). The six red ratings indicate necessary improvements with four cotton companies (two companies received two red) especially in the areas of 'freedom of bargaining and written contracts' (criterion 2a), 'Integrated Pest Management / pest thresholds' (criterion 4e) and 'transparent system to grade seed cotton' (criterion 6c).

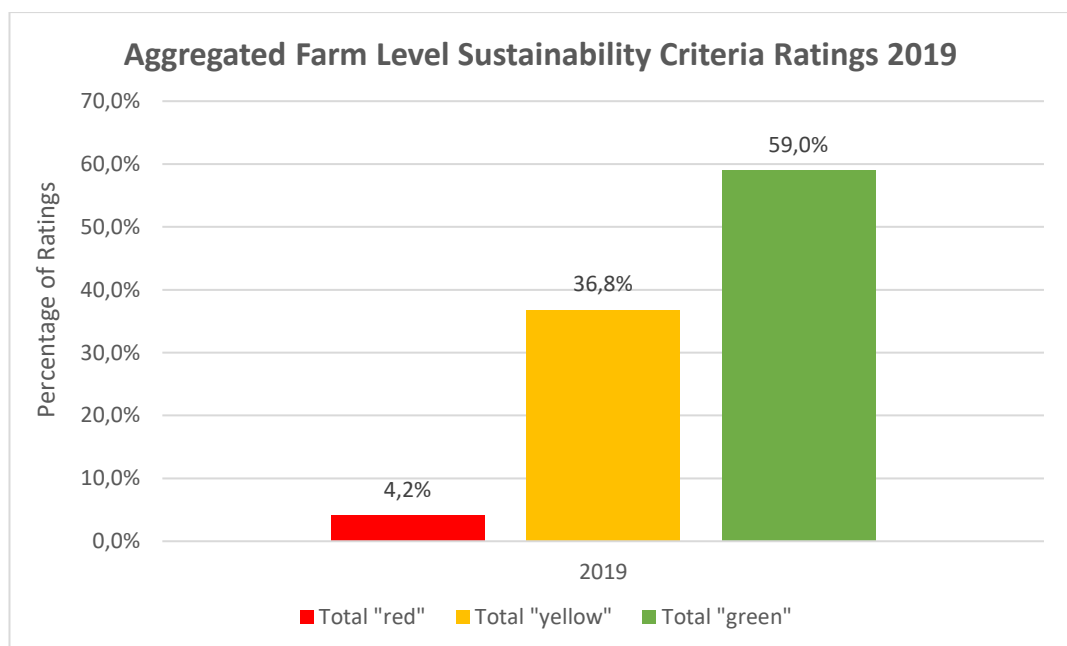


Figure 3 Aggregated Farm Level Sustainability Criteria Ratings in Percent of the 9 Farm Level Verifications in 2019

In total, 53 ratings show yellow on the sustainability farm level ratings in 2019 leading to 36,8% of all ratings being yellow. High numbers of Managing Entities receiving yellow ratings can be observed for ‘Social Welfare Programs’ (criterion 1) with six companies, in the area of ‘Spraying of pesticides and health protection’ (criterion 4c) with eight companies, and ‘Integrated Pest Management/ pest thresholds’ (criterion 4e) with seven companies.

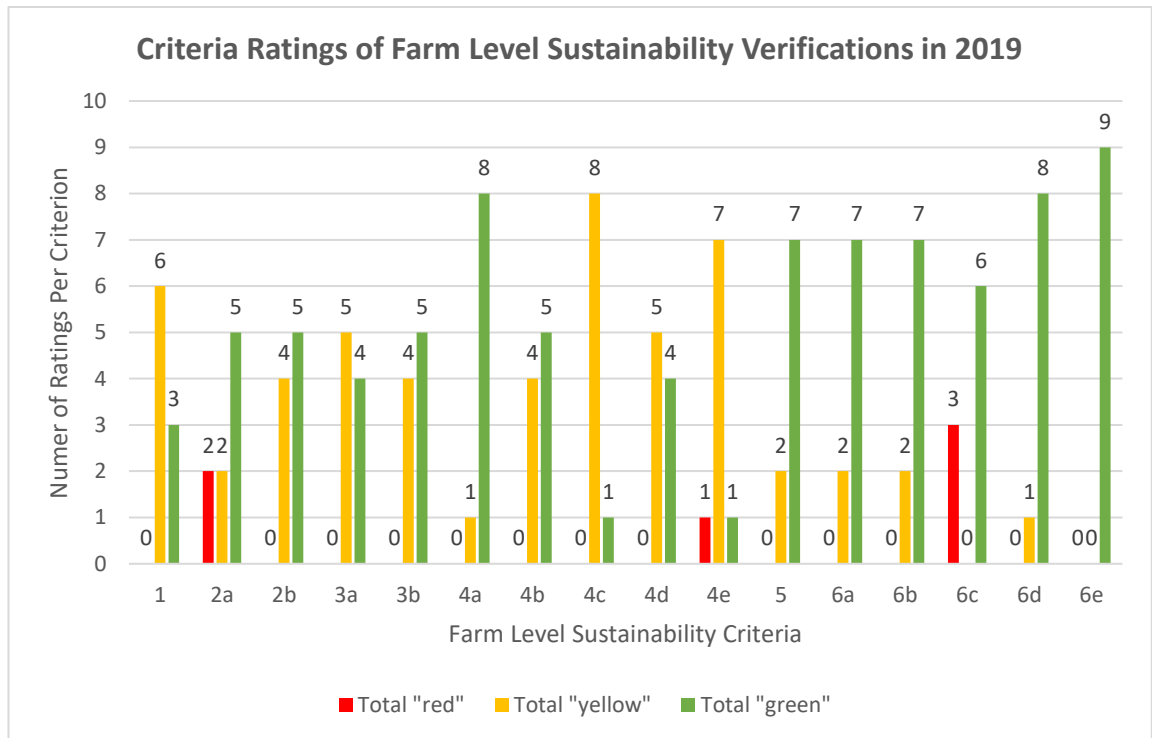


Figure 4 Numeric Overview of Criteria Ratings by Criterion of the 9 Farm Level Verifications in 2019

With 85 green ratings corresponding to 59% of all ratings, green respectively best practice ratings were the dominant ratings in 2019. Only one green rating respectively on ‘Spraying of pesticides and health protection’ (criterion 4c) and on ‘Integrated Pest Management / pest thresholds’ (criterion 4e) indicate that best practice level on these criteria remain challenging to fulfil for Managing Entities.

With seven green and two yellow ratings each, high numbers of compliance can be observed with the criteria ‘Training to improve farmer’s skills and capacities’ (criterion 5), ‘Pre-financing of inputs’ (criterion 6a) and ‘Transparency of input and cotton seed prices for farmers’ (criterion 6b). Furthermore, eight out of nine Managing Entities show green on ‘Pesticide Management’ (criterion 4a) and ‘Maximising fibre and lint quality’ (criterion 6d). Notably 100% of cotton companies verified on farm level in 2019 have proven to be in accordance with ‘Payment of cotton to farmers’ (criterion 6e) at best practice level.

4.3 Results of Ginnery Level Sustainability Criteria Verifications in 2019

In 2019 in total 12 Managing Entities have been verified on Ginnery Level.

Out of the 12 Managing Entities verified on ginnery level in 2019, only one showed one red (non-sustainable) rating on one of the five Sustainability Criteria. For the majority of seven Managing Entities green ratings dominated their ginnery level sustainability performance in 2019, while for the remaining five yellow ratings dominated. Meanwhile the best performing entity reached green ratings on all five sustainability criteria.

The aggregated results demonstrate Managing Entities show a significant tendency towards better (yellow) and especially best (green) performance ratings regarding the Sustainability Criteria on Ginnery Level Verifications in 2019.

2019				
	Ginnery Criteria	Total "red"	Total "yellow"	Total "green"
1	Labour contracts in ginneries	0	3	9
2	Working hours in ginneries are regulated and overtime work (includes shift and night allowances) is remunerated	0	6	6
3	Wages in ginneries comply with national law or sector agreements	1	2	9
4	Employer assures proper occupational health and safety conditions in gins including and not limited to dust and noise reduction measures and PPE for dust protection and noise reduction	0	10	2
6	Environmental Management Plan	0	5	7
TOTAL		1	26	33

Table 4 Numeric Overview of Ginnery Level Sustainability Criteria Ratings in 2019

Given the five criteria and 12 Managing Entities verified in 2019, a total of 60 ratings were given on Ginnery Level Sustainability Criteria. Out of these only one instance of non-sustainable practice (red rating) was documented leading to only 1,7% of all ratings to be scored on the lowest level of performance (see figure 5, following page). The red rating indicates the need for action on wages to comply with national law or sector agreements (criterion 3).

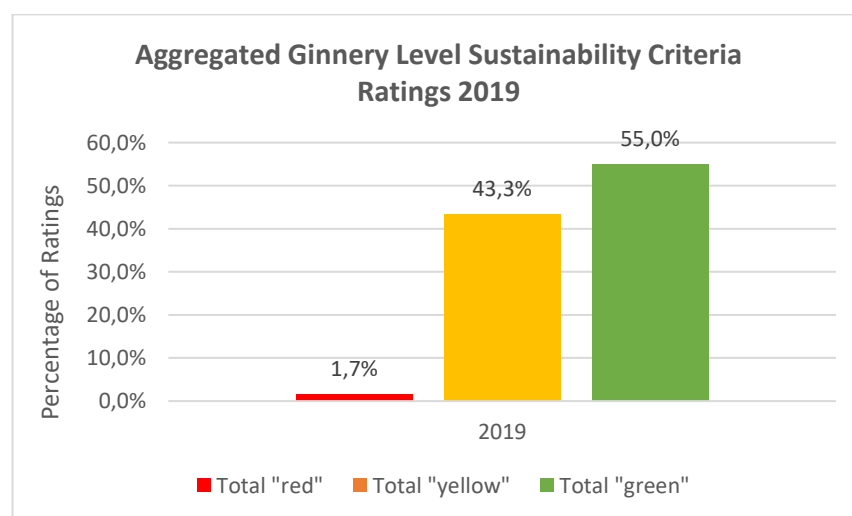


Figure 5 Aggregated Ginnery Sustainability Criteria Ratings in Percent of the 12 Ginnery Level Verifications in 2019

In total, 26 ratings show yellow on the ginnery level verifications equivalent to 43,3% of all ratings. When observing ratings by criterion (see figure 5), it can be highlighted that a high number of yellow ratings can be observed concerning employer’s assurance of proper occupational health and safety conditions (criterion 4). All Managing Entities already work in compliance with statutory health and safety regulations as well as company standards. Out of the 12 Managing Entities ten Managing Entities nevertheless need to take further steps to substantiate their efforts by formal documentation to be able to measure and demonstrate success as well as performance on occupational health and safety. On all other criteria, except criterion 2, yellow ratings are outnumbered by green ratings. A total of 33 out of the 60 and therefore 55% of all ratings were green ratings.

Half of all Managing Entities verified on ginnery level in 2019 already practice the remuneration of overtime work (including shift and night allowances) and regulated working hours in general (criterion 2), while the other half still have to improve in respect to remuneration management. Green rating dominates on criterion 6 showing that seven out of 12 Managing Entities developed and implemented an environmental Management Plan to remediate undesirable environmental impacts, while five Managing Entities still need to improve to reach green rating.

In comparison to the other ginnery Sustainability Criteria, highest levels of compliance were achieved regarding Labour contracts (criterion 1) as well as concerning Wages (criterion 3) where 9 out of 12 Managing Entities show green rating. This includes that all employees receive written employment contracts in accordance with national laws.

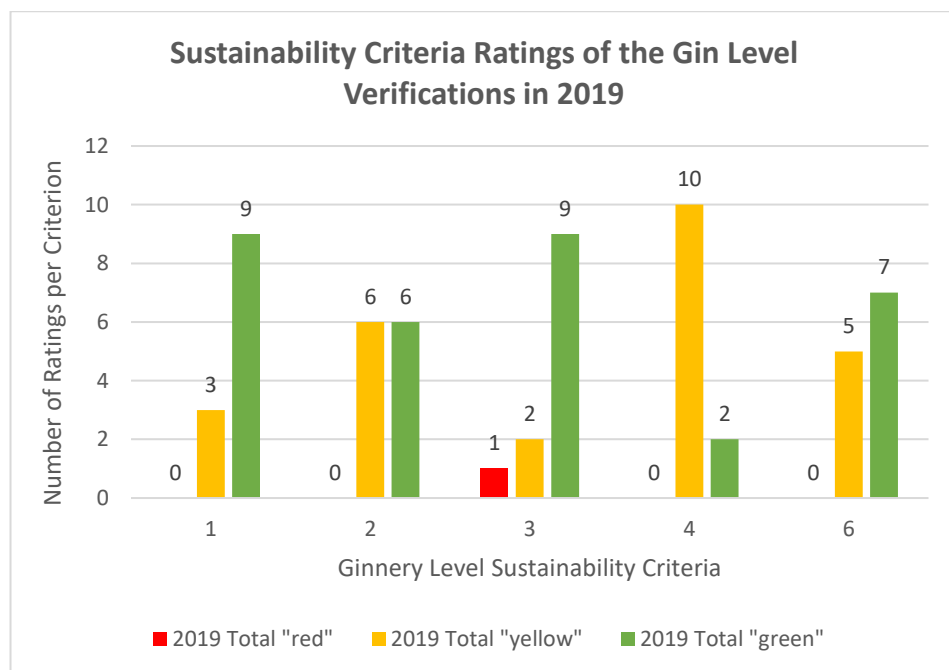


Figure 6 Numeric Overview of the Sustainability Criteria Ratings by Criterion of the 12 Ginnery Level Verifications in 2019

5. Trends and Developments – 2017/2019 Performance Cohorts

Part of the CmiA-Standard is a continuous improvement of the performance resulting in enhanced performance levels (i.e. rankings on criteria of the CmiA-Standard). In the long-term, this ideally leads to best practice performance of CmiA partners.

Previous reports concentrated on comparing the entire data set of the individual criteria rankings (red, yellow, green) for a given year in relation to the previous year. In accordance with the two-year cycle, the partners compared at farm and ginnery level differed while additionally new partners were included in the younger data sets. This kind of comparison makes the frequency of criteria-ranking occurrences and fluctuations between the years transparent in relation to the respective total of registered partners. In a comparison of two consecutive years, however, clear statements about the improvements and remaining challenges regarding a comparable cohort of partners was not yet covered. This requires a comparison of cohorts over two-year intervals concentrating on the same group of partners in accordance with the verification cycles.

AbTF can refer to an increasing number of long-standing partnerships and related statistical series. This enables AbTF to also compare performance of the same cohorts of partners over the years. For this report, an analysis of realized improvements and remaining challenges, cohorts have been created consisting of those cotton companies that have been verified on the very same level (either farm level or ginnery level) in the same phase of the cycle in 2019 in comparison to 2017.

Corresponding findings are presented in the following chapters on Farm Level Sustainability Performance of 2017/2019 Cohort (5.1) including the subchapters Realized Improvements on Farm Level of 2017/2019 Cohort (5.1.1) and Remaining Challenges on Farm Level of 2017/2019 Cohort (5.1.2) and Ginnery Level Sustainability Performance of 2017-2019 (5.2) including the subchapters Realized Improvements on Ginnery Level of 2017/2019 Cohort (5.2.1) and Remaining Challenges on Ginnery Level of 2017/2019 Cohort (5.2.2).

5.1 Farm Level Sustainability Performance of 2017/2019 Cohort

Six managing entities (Farm Level Cohort 2017/2019) have been the basis for the analysis of realized improvements on farm level between two consecutive verification cycles (2017 and 2019). Comparing a cohort consisting of the same Managing Entities in 2017 and 2019 has proven a steady improvement towards best sustainable practices on farm level.

5.1.1 Realized Improvements on Farm Level of 2017/2019 Cohort

When comparing the 2017 data with the 2019 data of Aggregated Farm Level Sustainability Criteria Ratings, the share of red ratings has decreased from 3,13% to 1,04%. Yellow ratings decreased from 41,67% to 28,13% of the total ratings. The decrease of red and yellow ratings leads to an overall increase of green ratings from 55,21% to 70,83% from 2017 to 2019. The overall distribution of ratings of the Farm Level Sustainability Criteria prove a continuous improvement towards best sustainable practices within the group of long-term partners (for an overview see figure 7).

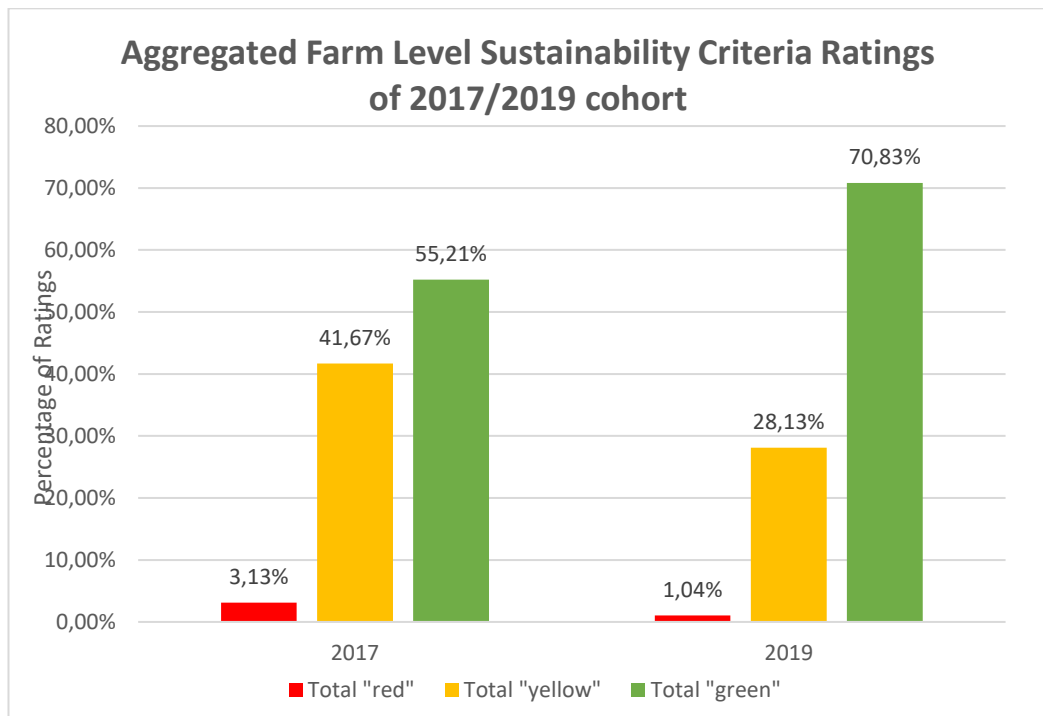


Figure 7 Aggregated Farm Level Sustainability Ratings of the 2017/2019 cohort

A closer look at the individual criteria ratings reflect above mentioned developments on farm level. Specific trends for each criterion can be identified, documenting improvements as well as remaining challenges. An overview of the distribution of ratings by criteria for the 2017/ 2019 cohort is given in table 5.

Criterion		Results	2017	2019
1	Social Welfare Programms	green	50,00%	50,00%
		yellow	33,33%	50,00%
		red	16,67%	
2a	Freedom of bargaining and written contracts	green	83,33%	83,33%
		yellow	16,67%	16,67%
2b	Equal rights regarding gender	green	66,67%	83,33%
		yellow	33,33%	16,67%
3a	Soil and water conservation and water run-off Management	green	50,00%	50,00%
		yellow	50,00%	50,00%
3b	Crop rotation	green	16,67%	50,00%
		yellow	83,33%	50,00%
4a	Pesticide Management*	green	66,67%	100,00%
		yellow	33,33%	0%
4b	Storage and transport of pesticides	green	50,00%	66,67%
		yellow	50,00%	33,33%
4c	Spraying of pesticides and health protection	green		16,67%
		yellow	100,00%	83,33%
4d	Disposal of empty plant protection chemical containers	green	33,33%	50,00%
		yellow	66,67%	50,00%
4e	Integrated Pest Management / pest thresholds	green		16,67%
		yellow	100,00%	83,33%
5	Training to improve farmer's skills and capacities	green	66,67%	100,00%
		yellow	33,33%	0%
6a	Pre-financing of inputs	green	100%	100%
6b	Transparency of input and cotton seed prices for farmers	green	66,67%	83,33%
		yellow	16,67%	16,67%
		red	16,67%	
6c	A transparent system to grade seed cotton is in place	green	66,67%	83,33%
		yellow	16,67%	
		red	16,67%	16,67%
6d	Maximising fibre and lint quality	green	66,67%	100,00%
		yellow	33,33%	
6e	Payment of cotton to farmers	green	100%	100%

Table 5 Distribution of Criteria Ratings by Criterion in Percent for the Farm Level 2017/2019 cohort

- **Continuous 100% compliance with best level performance on (6a) Pre-financing of inputs for farmers and (6e) Payment of cotton to farmers.**

For the verifications of the years 2017 and 2019, the partners demonstrated continuous 100% compliance with the best sustainability rating regarding criteria 6a and 6e.

- **All Managing Entities reached best level rating in 2019 concerning the three criteria (4a) Pesticide Management, (5) Training to improve farmer's skills and capacities and (6d) Maximising fibre and lint quality.**

The few yellow ratings for the above-mentioned criteria reported during the 2017 verification missions were all lifted to the green rating level in the 2019 verification missions.

- **Red ratings reduced to 0% regarding criteria 1) Social Welfare Programmes and 6b) transparency of input and cotton seed prices for farmers.**

On both criteria red ratings have reduced to 0%. In 2019, improved sustainable performance, namely yellow ratings have reached 50% and 50% green ratings regarding criterion 1 Social Welfare Programmes. For criterion 6 verification missions in 2019 showed an increase of green ratings to 83,33% of all ratings.

- **Strong improvements on 3b) Crop rotation and slight improvements on 4d) Disposal of empty plant protection chemical containers reaching each 50% green ratings.**

For criterion 3b, the green ratings rose from 16.67% in 2017 to 50% in 2019, while for criterion 4d green ratings rose from 33.33% to 50%.

- **Increasing number of Managing Entities reach green ratings on criterion 2b) Equal rights regarding gender and criterion 4b) Storage and transport of pesticides.**

Both criteria show an increase of each 16,33% in green ratings (for 2b from 66,67 in 2017 to 88,33% in 2019, for 4b from 50% in 2017 to 66,67% in 2019). This results in a majority of Managing Entities of the cohort having reached green rating level on criteria 2b and 4b in 2019.

5.1.2 Remaining Challenges on Farm Level of 2017/2019 Cohort

While for the Farm Level Verification Cohort 2017/2019s almost all criteria show considerable improvements, few challenges remain on farm level:

- **Slight increase towards best sustainable practices with regard to criterion 4c) Spraying of pesticides and health protection and criterion 4e) Integrated Pest Management/ pest thresholds.**

Both criteria see a slight increase in green ratings from 0 to 16,33%. This shows slight improvements compared to 2017 when all Managing Entities of the cohort received yellow ratings. Nonetheless, with 83,33%, the majority of Managing Entities remain at a yellow level 2019 which indicates the difficulties to overcome the knowledge-action gap.

- **Remaining undesirable practise regarding 6c) A transparent system to grade seed cotton**

Criterion 6c covers the Managing Entity's procedures to grade seed cotton quality and running of an arbitration system.

On the one hand, comparison between the 2017 and 2019 Farm Level Sustainability Ratings show improvements of green level ratings increasing from 66,67% in 2017 to 83,33% in 2019. Five out of six Managing Entities have reached best sustainable practice ratings. However, country-specific difficulties remain, especially for Zambia, where actors in the cotton sector do not practice grading. Farmers always receive A-level grade prices, independent from the actual quality delivered. CmiA partners are therefore not able to practice the intended practice (otherwise farmers would sell to competitors). In consequence, CmiA partners in Zambia remain on the red level rating due to circumstances beyond their control.

- **Stagnation regarding criteria 2a) Freedom of bargaining and written contracts (though with a high level of best sustainability practice ratings) and regarding criteria 3a) Soil and water conservation and water run-off management at lower sustainability rating level.**

Soil and water conservation as covered in criterion 3 are of growing relevance for farmers under the given circumstances of climate change impacts. Half of all Managing Entities performed on green rating level while the other half received yellow ratings both in 2017 and 2019 verification missions regarding Soil and water conservation.

For criterion 2a, best practice level (green rating) at 83,33% both in 2017 and 2019 indicates a high rate of compliance with best practice level on written contracts.

Nevertheless comparing 2017 and 2019, both criteria ratings show stagnation towards the goal of 100% compliance with best sustainability practices.

5.2 Ginnery Level Sustainability Performance of 2017-2019 Cohort

Seven Managing Entities (Ginnery Level Cohort 2017 /2019) have been the basis for the analysis of realized improvements on ginnery level. They furthermore served as basis for the analysis of remaining challenges on ginnery level (see 5.2.2). For the 2017/2019 cohort a slight decrease in overall ginnery level ratings is observed.

5.2.1 Realized Improvements on Ginnery Level of 2017/2019 Cohort

A decrease in the performance levels challenges AbTF's aim of continuous improvement. At the same time, such findings show the robustness of the CmiA assurance system, as the Standard immanent verification missions identify challenges on the performance of partners.

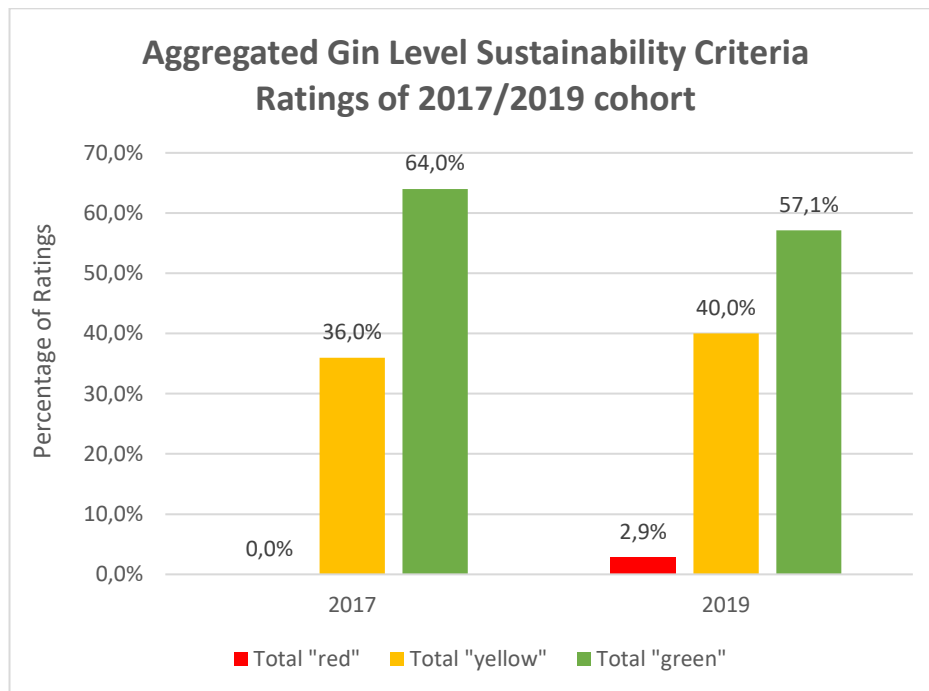


Figure 8 Aggregated Gin Level Sustainability Ratings of 2017/2019 Cohort

When comparing the 2017 with the 2019 data on the ginnery level sustainability criteria ratings, the share of red ratings has slightly increased to 2,9%. Yellow ratings increased as well from 36,0% to 40,0% of the total ratings. Meanwhile green ratings decreased from 64% in 2017 to 57,1% in 2019.

Criterion		Results	2017	2019
1	Labour contracts in ginneries	green	85,71%	85,71%
		yellow	14,29%	14,29%
		red		
2	Working hours in ginneries are regulated and overtime work is remunerated	green	57,14%	42,86%
		yellow	42,86%	57,14%
		red		
3	Wages in ginneries comply with national law or sector agreements	green	85,71%	71,43%
		yellow	14,29%	14,29%
		red		14,29%
4	Employer assures proper occupational health and safety conditions in gins	green	14,29%	14,29%
		yellow	85,71%	85,71%
		red		
6	Environmental Management Plan	green	57,14%	71,43%
		yellow	42,86%	28,57%
		red		

Table 6 Distribution of Criteria Ratings by Criterion in Percent for the Ginnery Level 2017/2019 Cohort

Despite the overall slightly less sustainable performance in 2019 in comparison to 2017 in the cohort, the following positive trends are observed:

- **Green ratings increasing to 71% regarding Criterion 6) Environmental Management Plans**

Neither in 2017 nor in 2019 any Managing Entity received a red rating regarding criteria 6. In 2019, yellow ratings reduced from 42,86% to 28,57% of all ratings, leading to best sustainable practice performance levels increasing from 57,14% in 2017 to 71,43% in 2019.

- **Constant high in best sustainability performance with 85,71% on Criterion 1) Labour contracts in ginneries**

In 2017 and in 2019 there was no red rating for criterion 1. With 14,29% yellow ratings a constant high in best sustainability performance of 85,71% of all Managing Entities verified on gin level in the 2017/2019 cohort has been achieved.

5.2.2 Remaining Challenges on Ginnery Level of 2017/2019 Cohort

As already pointed out, a comparison between the overall ratings of 2017 and 2019 for the ginnery cohort indicate a slight trend towards less good performance regarding the ginnery sustainability criteria. The decrease highlights the importance given to employees' rights in the CmiA Standard. Following specific remaining challenges have been observed:

- **Drop in sustainable practice ratings regarding criterion 2) Working hours in ginneries and Criterion 3) Wages in ginneries**

On both Criteria, best sustainable practices (green ratings) dropped from 57,14% in 2017 to 42,86 in 2019 regarding Criteria 2 and from 85,71% in 2017 to 71,43% in 2019 regarding Criteria 3. Furthermore, one Managing Entity received a red rating regarding the wages payed in ginneries in 2019. Some of the workers' wages did not meet hourly set wages and wages were not directly payed to some of the workers. This is related to the aforementioned case of non-compliance of one Managing Entity with CmiA Exclusion Criterion 5, which to some extent hired prisoners to work in the ginnery (see 4.1). It furthermore illustrates the interrelatedness of CmiA Exclusion and Sustainability Criteria. A follow-up mission is scheduled for 2020 to verify improvements (i.e. no more hired prison workers) stipulated in the updated management plan of this Managing Entity.

- **Stagnation on criterion 4 covering employers assuring proper occupational health and safety conditions in gins**

Criterion 4 covers proper occupational health and safety conditions. With green rating remaining at 14,29% between 2017 and 2019 verifications, the majority of 85,71% of all Managing Entities of the 2017/2019 cohort stays at the improved sustainability (yellow) rating level.

PPE is still a challenge for a number of Managing Entities and requires several different interventions from the ginnery management. Managing Entities are mostly aware of the safety requirements, but auditors still identify gaps to fully respect and implement them for all workers, including all casual workers. Managing Entities address these remaining challenges in their updated Management Plans to act accordingly.

6. Verified Cotton Companies in 2019 and Cotton Production in the 2018/19 Season

At the beginning of 2019, 22 cotton companies were verified against the CmiA Standard which increased to 24 cotton companies from 11 African Countries to the end of the year. One cotton company had been certified against the additional license of selling part of its production as “CmiA Organic”.⁴

In the course of 2019, two cotton companies became new CmiA partners. Having successfully completed an entire verification cycle, consisting of third-party verifications both at the ginnery and the field level, they obtained the CmiA sales license.

Due to general security issues and related inability to conduct verification missions, the partnership with two companies continues, but the verification has been put on hold. As soon as the verification missions can be executed again, it is intended to have the partners back in the programme.

Two cotton companies have started the process of initial verification (either field or gin verification) and will, if the second part of verification is equally successful, be granted CmiA sales license in 2020.

All following reported production data for the 2018/19 season refers to the 23 cotton companies that were able to sell their 2018/2019 harvest under CmiA license. For the 2018/19 season, ca. 886,000 farmers delivered seed cotton to verified cotton companies. They were cultivating cotton on ca. 1.6 million hectares producing a total volume of ca. 1.4 million metric tons (mt) of seed cotton. Among the cotton farmers at market, 18% were female farmers with direct contractual relationship to the cotton companies and 82% were male farmers (see Figure 9).

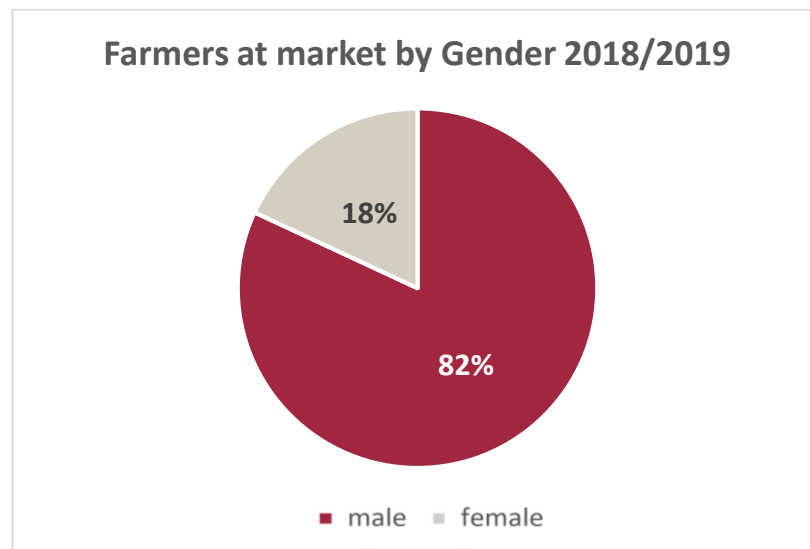


Figure 9 Farmers at market by gender contracted by CmiA certified cotton companies in the 2018/19 season

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.

In the 2018/2019 season, cotton companies with CmiA status operated in 60 ginneries. The 23 cotton companies employed more than 1,300 permanent and more than 8,300 seasonal workers. CmiA partners produced a **total of ca. 593,000 mt of lint cotton**. For a detailed overview see table 7.

	2018 (Harvest 2017/ 2018)	2019 (Harvest 2018/ 2019)
Companies	22	23
Farmers ¹	999,425	885,575
Area (ha)	1,779,583	1,656,998
Seed cotton (mt)	1,376,031	1,404,508
Lint cotton (mt)	578,562	593,067

¹: Calculation for farmer numbers changes from 2018 to 2019 – 2018: contracted farmers, 2019: farmers at market (i.e. those delivering cotton)

Table 7 CmiA Cotton Production 2018 & 2019

7. Farmer Trainings provided by CmiA Cotton Companies

In the 2018/19 season, a total of 1,878,029 attendees participated in farmer trainings⁵ 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 development. Topics regularly trained include all three aspects of sustainability (economy, ecology and social issues) 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 Pest Management (IPM), with special focus on scouting and threshold spraying
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)

The chart below indicates the numbers of male and female attendees of farm level training per topic in the 2018/19 season.

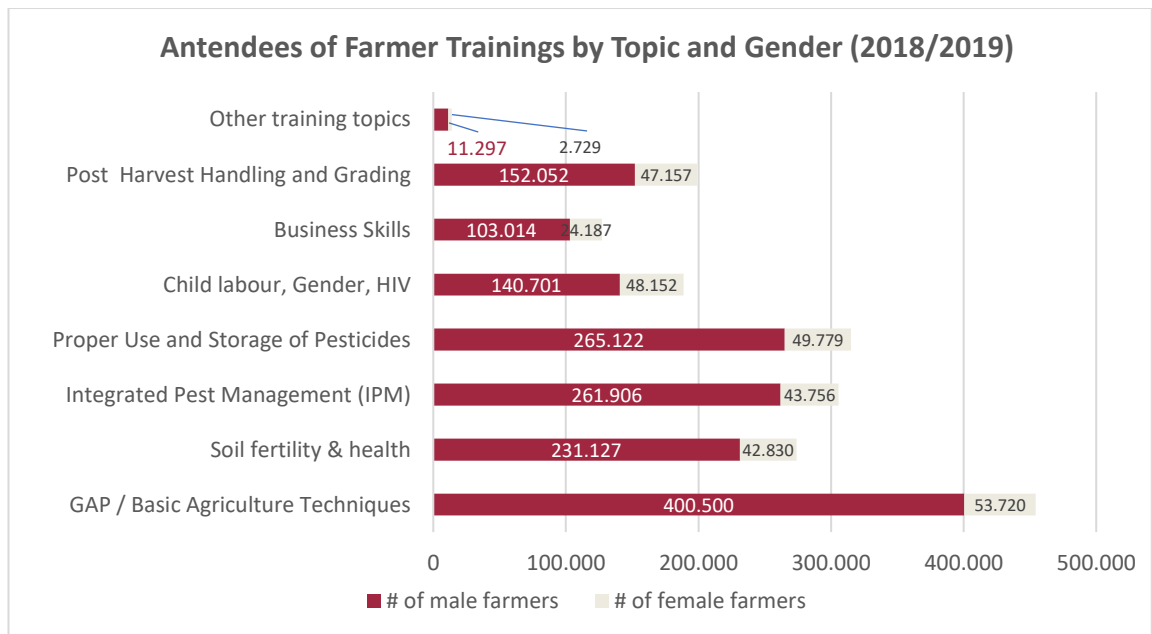


Figure 10 Attendees of Farmer Trainings by Topic and Gender in the 2018/2019 Harvesting Season

⁵ Farmers who attended several trainings have been counted multiple times.

It is important to point out that some topics (like GAP) consist of several training sessions that are conducted in accordance 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.

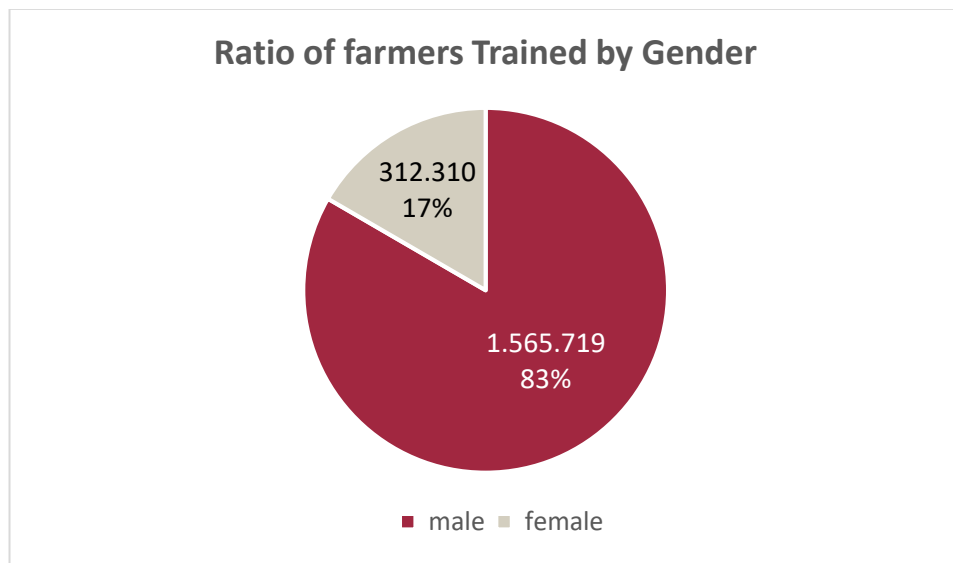


Figure 11 Ratio of Female and Male Attendees in Farmer Trainings in 2018/2019 Harvesting Season

With the given share of 18% of female farmers amongst the total CmiA farmer base (see figure 9), data on the ratio of farmers trained by gender indicates a nearly gender-balanced representation of farmers in training sessions, as 17% of all Farmers trained in 2018/2018 were female (see Figure 11).

8. 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:

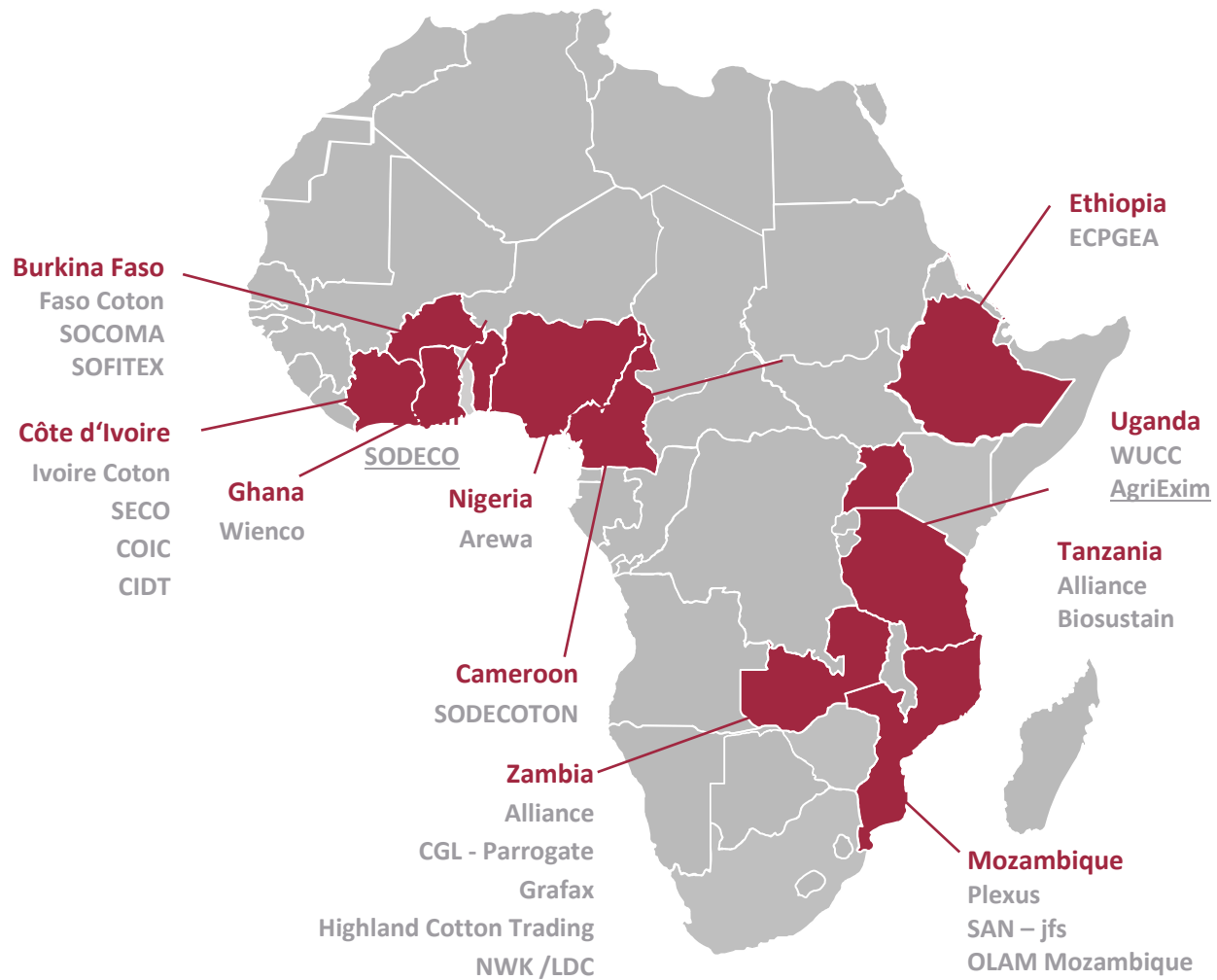
- As the majority shareholder of the Cotton Expert House Africa (CHA), the AbTF substantially supported their activities to cooperate with cotton companies in Sub-Saharan Africa. With AbTF's and additional funds provided by the German Ministry for Development Cooperation (BMZ), CHA established a total of 14 co-financing projects in 8 African countries with a reach of more than 410.000 farmers. These projects covered various aspects of sustainable cotton production, with an emphasis on enhancing good agronomic practices through climate smart agriculture, increasing female farmers participation and improving productivity and quality.
- Similar to activities carried out in 2018, a joint "Training of Trainers" (ToT) for extension staff of cotton companies in Zambia with the objective to a) streamline the messages (training content) sent to contracted farmers and b) to reduce the costs for ToTs, AbTF supported the Zambian Cotton Ginners association (ZCGA) to have more than 70 extension agents trained by a CmiA consultant and acknowledged agri-technical expert. Those trainings were run in for 2,5 days each in Chipata and Lusaka including classroom elements as well as training at demo plot locations.
- With support of the Ana Kwa Ana Foundation, AbTF co-financed the position of gender officers at three different cotton companies in Zambia. Cross-company learning, and exchange among the gender officers supported the personal development of the position holders. They developed a gender policy for their respective companies, which was presented to their Management, reviewed and adopted by the company. In addition, training on gender equality for farming communities and specific support for women clubs, e.g. by coaching them while implementing project to generate additional income, were part of the support package.
- CmiA staff visited several cotton companies in the course of the year. For example, an in-depth exchange with all partners in Côte d'Ivoire was very useful to witness the implementation of community support projects (Standard criterion on social welfare), and to discuss remaining challenges with regard to CmiA requirements. On-boarding visits in Benin and Uganda supported the new partners in gaining a better understanding of the Standard and develop a good basis for future collaboration.

9. AbTF Verification Management Activities

In the CmiA standard system, all cotton companies have to be assessed by independent third-party verifiers on farm and field level in order to be able to sell their cotton as CmiA or as CmiA Organic. AbTF is responsible for the Management and Monitoring of the verifications. In 2019, AbTF Verification Management has been responsible of the following activities:

- a) Coordination / Organization of Verification Missions
 - 21 CmiA verification missions, nine farm level and 12 ginnery level verifications have been coordinated.
 - Introduction of three new partner companies to CmiA standard requirements, with one company that completed the initial verification cycle in 2019.
 - Guidance to all cotton companies on CmiA-Standard.
- b) Data Management
 - Collection and quality control of Annual Self-Assessments from all cotton companies
 - Performance analysis both from self-assessments and verification reports.
 - Development of a web-based data management software solution for the online submission of self-assessments and verification results.
- c) Verification Quality: Monitoring and Training
 - Cooperation with 2 third party verification organizations (control bodies)
 - Witness audit by AbTF during two verification missions in Benin and Uganda.
 - Quality control and follow-up on 21 verification reports and corresponding Management Plans for continuous improvement.
- d) Standard Development, Interpretation and Guidance
 - Continued revision of CmiA to finalize Volume 4. A public consultation was launched in May 2019, several workshops with different stakeholders were conducted in 2019. The new standard version is due to be published in 2020.
 - AbTF works towards compliance with ISEAL Codes of Good Practice for Standard-Setting, Assurance and Impacts. In consequence, not only the Standard Criteria will be reviewed, but also the Assurance system. A 'Theory of Change' together with a Monitoring, Evaluation and Learning system will be established.
 - Coordination and exchange with Standard Organisations.

Annex A Map of Verified Partner Cotton Companies (CmiA and CmiA Organic) in 2019



New since 2019

Annex B List of Verified CmiA Cotton Companies with respective Sales License Status in 2019

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	SOCOMA (put on hold after expiry of certificate)	yes	yes	31.12.2019 → crop 2019/20
Burkina Faso	SOFITEX	yes	yes	31.12.2021 → crop 2021/22
Cameroon	SODECOTON	yes	yes	31.12.2020 → crop 2020/21
Côte d'Ivoire	CIDT	yes	yes	31.12.2020 → crop 2020/21
Côte d'Ivoire	COIC	yes	yes	31.12.2020 → crop 2020/21
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
Ethiopia	ECPGEA (Metema Union) (put on hold after expiry of certificate)	yes	no	31.12.2019 → crop 2018/19
Ghana	Masara N'Arziki (Wienco Cotton)	yes	yes	31.12.2019 → crop 2019/20
Mozambique	Plexus	yes	yes	30.06.2020 → crop 2019/20
Mozambique	OLAM Mozambique	yes	Verified by BCI independently	31.12.2020 → crop 2019/20
Mozambique	SAN jfs Holding	yes	Verified by BCI independently	30.06.2021 → crop 2020/21
Nigeria	AREWA Cotton	yes	yes	31.12.2020 → crop 2020/21
Tanzania	Alliance Ginneries Ltd.	yes	yes	30.06.2020 → crop 2020/21
Tanzania	Biosustain	yes (Organic)	yes	30.06.2020 → crop 2019/20
Uganda	WUCC	yes	yes	31.12.2020 → crop 2020/21
Uganda	AgriExim	yes	yes	31.12.2021 → crop 2021/22
Zambia	Alliance Ginneries Ltd.	yes	yes	30.06.2021 → crop 2020/21
Zambia	NWK Agri-Services	yes	yes	30.06.2020 → crop 2019/20
Zambia	Continental Ginneries Limited/ Parrogate	yes	yes	30.06.2020 → crop 2019/20
Zambia	Grafax Cotton Limited	yes	yes	30.06.2020 → crop 2019/20
Zambia	Highland Cotton Trading /Parrogate	yes	yes	31.12.2020 → crop 2019/20