



COMPACI-News

Competitive African Cotton Initiative

Albert Watson portrays Cotton made in Africa - smallholders
 Star photographer brings a piece of Benin to Hamburg

By Tina Stridde (Managing Director for Marketing and Communication of Cotton made in Africa | Atakora)



Photos: Cotton Boys KOLEOU FIELD, Benin 2011 © Albert Watson

Last December, the renowned photographer **Albert Watson** travelled to Benin for two weeks in order to portray cotton farmers and their way of life in the West African country on behalf of Cotton Made in Africa (CmiA) and Deichtorhallen Hamburg, an exhibition center for contemporary art and photography. In September 2012 the photographs will be presented as part of an exhibition of Albert Watson's complete works, called **Albert Watson: Visions feat. Cotton made in Africa** in the House of Photography.

The exceptional cooperation with the fashion and celebrity photographer Albert Watson, well known for his legendary photographs of, among others, Kate Moss, Steve Jobs or 50 Cent, is supposed to show day-to-day life of the cotton farmers and to give people a better understanding of Africa and CmiA's work.

The idea behind the project is to visualize CmiA's target - creating social added value for the smallholders - by depicting the people associated with the CmiA initiative and the world they live in. Additionally the initiative is intended to enhance the visibility of Cotton made in Africa and to contribute to an increased brand recognition among the visitors of the exhibition, e.g. when shopping. >>

Save the date:

The annual **COMPACI Stakeholder Conference** will take place from **12-14 September 2012** in **Hamburg, Germany!**

Participants of the conference are warmly invited to the opening of the photo exhibition **Albert Watson: Visions feat. Cotton made in Africa** on the evening of the **13 September!**



In order to gain a good insight into the people's way of living in Benin, Albert Watson, next to visiting many of CmiA's partners and the cotton fields, also visited traditional markets, a local king and a festival with the Peuhl people.

Albert Watson was especially moved by the people he met during his journey: *"The people were wonderful. I was particularly touched by how much energy the inhabitants of Benin radiate. Capturing and photo-graphing their pure joy in life was a wonderful experience for me."*

The project has been made possible through sponsorship by OTTO, Tom Tailor and GIZ (the German Society for International Cooperation), which supported the project by, among other things, having planned the entire two weeks trip of the photographer and his five-member team.

The photographs will be on display from 14 September 2012 to 06 January 2013 in the House of Photography in the Deichtorhallen Hamburg. In addition to the new photos from Benin, the exhibition will include known works but also unknown vintage and polaroid works of Watson.

Albert Watson is regarded as a living legend in fashion and advertising photography. His portraits include celebrities such as Mick Jagger, Alfred Hitchcock, Kate Moss, Johnny Depp and Jack Nicholson - to mention only a few. Next to photographs of celebrities, Watson's works also include pictures taken of people he met during his journeys. The trip to Benin was not his first trip to Africa. In 1998, he published the photo book "Maroc", which is often referred to as visual hymn to the North African country. •



Woman with scarves: BOUKARI KAOUALATOU, Benin 2011 © Albert Watson



**DEICHTOR
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HAMBURG



Input credits for food crops: A trade decision or how can a cotton company contribute to food security?

By Anneke Voss (Research Student, University of Cologne) and
Bognan Patrice Amon (Head of Research and Development Unit, Ivoire Coton)



Anneke Voss with two agricultural advisors of Ivoire Coton and farmers of the cooperative in Niofin

Which steps does Ivoire Coton take to improve food security?

Since privatization of the former Compagnie Ivoirienne pour le développement des Textiles (CIDT) in 1998, Ivoire Coton has been providing its cotton farmers with credits for inputs such as herbicides, insecticides and fertilizers for cotton cultivation as well as for food crops. This system was taken over from the former company CIDT and is being applied by Ivoire Coton ever since. Under this loan scheme Ivoire Coton also provides loans for trek oxen and farm equipment. Additionally, the company promotes the construction of compost and manure pits. All these activities have a positive impact on the region's food security. Let's take a closer look at Ivoire Coton's activities related to input credits for food crops.



Anneke Voss is a student of economics at the University of Cologne. For her thesis she did research on the connection between cotton and food crops in Côte d'Ivoire and Cameroon. Next to her studies she is working as a student assistant at DEG (in department Sustainability), on behalf of which she conducted her research.



Bognan Patrice Amon studied Technical Agricultural Engineering at a school for higher education in agricultural sciences (National Polytechnic Institute Houphouët-Boigny in Yamoussoukro). Since 1999 he has been working at Ivoire Coton as Chef de Zone, technical assistant of the Regional Management and head of the unit Education and Training. Presently he is head of the unit Research and Development.

Input credits for food crops

During the cotton harvest season from 2007 - 2009, Ivoire Coton was undergoing a serious production crisis. Production was down from 130,000 t to 45,000 t and farmers were faced with very low prices for seed cotton. Ivoire Coton had to cope with the fact that inputs were diverted away from cotton to staple foods. Ivoire Coton applied a joint liability for the repayment scheme of the input credits. As a consequence, the number of cotton farmers declined substantially, which led to Ivoire Coton modifying its repayment scheme.

Prior to the cotton crisis, Ivoire Coton had made loans available to farmers and deducted the repayment directly from the cooperative's proceeds without taking into account the individual members' debt ratio. Farmers became demotivated by this system, given that repayment of the loans was ensured by the good

performance of successful farmers. For this reason, Ivoire Coton modified its credit scheme. It now provides individual loans, basing on the farmer's previous seed cotton yield per hectare. On the basis of a harvesting plan and the farmer's individual estimated production of seed cotton, the company calculates a maximum debt equity ratio for each farmer. This defined debt ratio is 70 % of the farmer's estimated minimum production. This ratio applies to all loans which Ivoire Coton makes available to its farmers, including input credits for food crops.

Why is the debt equity ratio set at 70 %?

There are two reasons why the debt equity ratio is set at 70 %: Firstly it is to help secure farmers an appropriate level of income from their production in order to realize that cotton cultivation



is a profitable activity. The second objective is to prevent a high indebtedness of farmers in case of crop failure. The ratio may vary (upwards) depending on the purchase price for seed cotton and on input prices, it should, however, never exceed 70 %.

Presently, Ivoire Coton has 225 agricultural extension staff members who cooperate directly with the farmers. They are responsible for calculating the debt equity ratio for each farmer and for advising the cooperatives on questions such as "Which quantity of inputs should each farmer obtain by taking into consideration the individual farmer's potential for growing seed cotton and staple food". Although this new system entails a larger amount of work for Ivoire Coton, it on the other hand helps to secure the company a repayment rate of almost 100%.

Impact on food security

Ivoire Coton is the farmers' only source to obtain inputs in the north of Côte d'Ivoire. During the season of 2011/2012, fertilizer was used on an area of 18,000 ha of maize and 7,000 ha of rice. This corresponds to 30 % of the total maize acreage and to 18 % of the total rice acreage, cultivated by Ivoire Coton's farmers. Farmers were asked to report on their experience with fertilizers in order to assess the impact on food crops originating from fertilizer-applied areas. It turned out that thanks to the supplementary use of fertilizers, production of maize and rice increased by 24% and 11 %, respectively, during the season 2011/2012.

This represents a plus of 40,000 cartloads of maize and 11,000 of rice. By applying its loan scheme, Ivoire Coton seems to have made a significant contribution to improving food security in the north of Côte d'Ivoire. •

Input credits for food crops: a trade decision

Interview with Gari Kofi, employee at Ivoire Coton since 2000 and Regional Director since 2008. He is a trained agricultural engineer.



Djary Koffi

Is Ivoire Coton affected by input misuses?

Well, Ivoire Coton is located in a region where the soil is not very fertile. It is for this reason that farmers need to use fertilizers in order to achieve good crop yields. If fertilizers, however, were distributed to be used exclusively for cotton, you can be sure that nevertheless part of it

would also be applied for food crops. That is one of the reasons why it is difficult to increase yields.

How can the provision of input credits for food crops help to resolve this problem?

Ivoire Coton's structure consists of providing guidance to its staff and we thus see the farmer in its entirety. We do not only consider the farmer's needs what cotton cultivation is concerned, but

also his needs related to food crops. It is hoped that by providing farmers with input credits also for food crops, it will be possible to reduce abuses to a minimum, as farmers are able to meet their food needs while at the same time achieving high cotton yields. Only by establishing a fair balance between cotton production and staple food production, will it actually be possible for Ivoire Coton and the farmer to stay in business in the long term. And, what is more important, a farmer is only able to achieve acceptable crop yields if he feels comfortable. And one only feels comfortable as long as there is enough food. Thus, establishing an improved food production makes sense for Ivoire Coton from a commercial point of view. •

IMPRESSUM

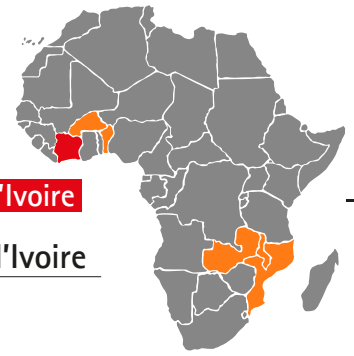
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"Parc à nuit" with a view to improving soil fertility in the north of Côte d'Ivoire

Field visit and interview with Yacouba Touré from Ivoire Coton
By Stefan Kachelriess-Matthess (Agricultural Advisor for GIZ)



Yacouba Touré

There are several possible ways of improving soil fertility for a sustainable cotton production. The use of organic matter is one of the main prerequisites for preservation of soil fertility. To this end, COMPACI partners in the West Africa region tested the production of organic compost, either in the form of compost from plant residues with or without the support of an accelerator, or in the form of dung piles consisting of animal waste. Recently,

Ivoire Coton fostered the introduction of a new technique, so-called "parc à nuits / parcs d'hivernage", to cotton farms in the north of Côte d'Ivoire. We would like to learn more about the experiences gained so far with this new technique. We therefore visited some of these enclosures in July 2011 and March 2012 and had the opportunity to talk to Mr. Yacouba Touré, head of Ivoire Coton's Agricultural Mechanization Department, located in Boundiali.

What is the motivation behind your interest in the "parcs à nuit"?

YT: Concerning the wintering area (= parc à nuit), the large-scale

hectare. At least 4 pits are required for a production volume of 6 to 8 tonnes of manure, needed to fertilize an area of 1 hectare during one season.

How many "parcs à nuit" did you build?

YT: We started in March, when the first rains arrived, and so far we have built around 200 of the 520 parks planned in total. We expect that this target will be exceeded.

What are the positive results? What is going well?

YT: Manure production in a wintering area entails the following advantages:

- an improved utilization of animal manure;
- an enhanced utilization of crop residues, especially of cotton stalks;
- a large-scale production of good quality manure. A total amount of 15 to 20 tons of manure can be produced on a well managed wintering area with 20 oxen;
- improved cattle breeding methods, now closer to the farm

What are the challenges?

YT: The main difficulty lies in the biomass conservation, especially of cotton stalks, which are re-used by the women to produce potash (potassium oxide). Often cotton stalks are burned by children in their search for mice or other reptiles hiding under the biomass. Farmers, on the other hand, often burn these stalks in order to clear their parcels. And, not least, there is the topic of conflict management, related to damages done to crops by cattle belonging to herders who are passing by.

What are the farmers' reactions to a large-scale application of this method?

YT: The technique is implemented in a systematic manner given that within the context of the COMPACI project farmers are supplied with a free kit containing 100m of barbed wire, a dung fork, a spade and a box of nails. But it also should be noted that there are farmers who have been applying this method for years already, without receiving any special support.

What advice would you give to someone who wants to try out this method (lessons learnt)?

YT: We can make two main recommendations. Firstly, cotton stalks are the biomass best suited for wintering areas. An alternative is wild-type wood biomass. It is, however, not advisable to use non-woody biomass (maize, rice or millet stalks), as due to the weight of the cattle it would turn into poudrette in the medium term. Secondly, the park should be located close to the farm in order to minimize the transport costs and risks related to the large amount of produced manure.

We are currently developing learning material in order to train the farmers. These pictures are based on lessons learnt from the past and are to help agricultural extension workers to train the farmers. •



Discussion with a pilot farmer, who is sharing his experiences



In the rainy season cattle are herded into these enclosures during night before they are led to pasture

production of manure is of great importance. This also helps to achieve an improved utilization of cattle manure.

What is the background to this method?

YT: The method can only be applied on farmers which at the same time are cattle breeders.

What do you want to achieve - what are the objectives?

YT: Our main aim is to enable farmers / cattle breeders with large areas of agricultural land to apply organic manure on their entire land within a short time. It is hoped that by this they will be able to reduce their fertilizer loans.

Why did you choose this method? And what is the difference between this method and other organic manure production methods?

YT: The other method to produce manure consists of a dung pit that has a volume of 9m³ and whose content (1.5 to 2 t) is applied on 1/4



Lessons Learned by PLEXUS Mozambique being COMPACI partner for 2 seasons

By Brian Archibald (Chief Operations Manager at Plexus Mozambique)

Under the COMPACI project the main objectives for PLEXUS Mozambique is to train some 50,000 cotton farmers in order to enable them to increase their yields and thus the household income from cotton. From the start it became clear that the knowledge of the extension staff had to be improved in order to really impact on the growers. The first obstacle was to find an experienced and Portuguese speaking cotton expert. Through the PLEXUS network a consultant - namely Mr. Chris Ward - was located in Brazil. In 2011 Chris Ward took on the task of training the PLEXUS supervisors and extension staff.



Training led by Chris Ward (2011)

Initial training was done at the "classroom" level and covered Good Agricultural Practices (GAP). Topics included were land preparation, planting, plant population, weeding and basic pest management. Quickly it has been perceived that the message to extension staff and farmers has to be as simple and practical as possible which made training move to the field. The extension staff, once trained, commenced passing on the information to the farmers. Also in the first year PLEXUS introduced the concept of the demo-farmer. Since the concept was not fully understood right at the beginning by extension staff and farmers 50% of the selected demo-farmers dropped out. However, already in the first year it was demonstrated that by following the GAP farmers could more than double their yields. This fact incentivized many more farmers (along with high cotton prices), to participate in the training in the following season in order to improve yields as their fellow farmers did.



At the beginning of the 2011/12 season PLEXUS realized that to reach out to more farmers a change in strategy was needed. A dedicated training officer was appointed and demo-farmers' role was modified. The idea was that they shall play a larger role in training of collaborating farmers in the frame of "field cotton schools". A total of 1,402 demo farmers were registered (of which 11% are women) and each one was encouraged to group at least 25 "collaborator" farmers. Training thus became a much more hands on system.

The logistics of getting to the points where training is to take place can be quite challenging at times, particularly during the rainy season. Roads and rivers can become impassable and reverting to foot can be the only option. However the reward is worth the effort as the farmers really appreciate attendance by management (see picture below)...

In the first season of COMPACI the share of women that participated in training sessions was at 13%. In the current season 28% of all farmers trained were female. This significant increase can also be attributed to the recently employed gender desk officer, Ms. Lucrecia Alfredo, who encourages that gender issues are taken into account across PML activities, especially during training session. PML furthermore, in collaboration with a local NGO, is engaged in theater plays for staff on AIDS and its prevention.

Besides the agricultural training, private farmers and associations collaborating with PML benefitted from training for improvement of management and business skills. The local micro-finance company Manunu Na Mawenhe Lamucani, has been contracted to do this. PLEXUS plans to spread business training to the family sector in the years to come. A challenge on the way to empower smallholder farmers to become entrepreneurs may be the lack of access to finance institutions that are willing to provide short- and medium term loans to smallholders.

During the next years, PML is planning to consolidate and further roll out successes of the past two seasons. Furthermore PML will put another emphasis on soil fertility aspects which are a core element for sustainable cotton and food crop production of farming families in Cabo Delgado. •

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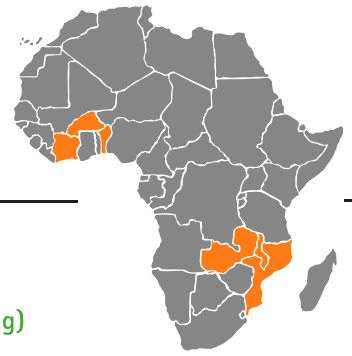
Tobacco Companies in the Philippines

Since Oct. 2011: Chief Operations Manager at Plexus

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State-organized child labour in Uzbekistan

By Viola von Cramon (Member of Parliament for the Green Party in the German Bundestag)

Very few textile consumers know anything about cotton harvesting conditions. In Uzbekistan, during harvest, the government closes schools and forces children to work as harvesters under very critical conditions.

The Uzbekistan regime of President Karimow is one of the most authoritarian worldwide. One of Uzbekistan's darkest blots is the state-organized forced child labour in cotton production; yet hardly any consumers know the origin of the cotton processed to make their own clothes. With a production of 3.4 million tonnes of cotton per year, Uzbekistan is the third-largest cotton exporter on the world market. Experts estimate that at least half of this total is harvested by children. According to the European Center for Constitutional and Human Rights, there may be as many as 2.7 million children employed during the harvest period. To this end, schools are closed in rural areas between September and December. Families opposing the work suffer water or electricity supply shutdowns. Only rich families can afford a doctor's certificate costing USD 200, to buy their way out of their children's forced labour.

In contrast to India or Bangladesh where child labour helps alleviate poverty, in Uzbekistan children or their families do not feel any economic benefits. On the contrary: child labour in Uzbekistan only lines the pockets of the state. The state generates approx. one billion dollars annually through cotton trading. The harvesting conditions for the children are harsh. Despite extremely high temperatures, the children working the fields are expected to pick 80 kilos per day, for a minimum of nine hours. Any child unable to manage this amount is subjected to beatings. Days off are not scheduled. Many children do not receive sufficient food or water during the harvest period. Particularly during the spring months, the children are exposed to highly toxic pesticides, which cause serious skin or respiratory diseases. The state does not even feel responsible for the payment of medical care.

Only the state profits

Since its independence, Uzbekistan has increasingly resorted to forced child labour for cotton harvests. While modernization and an ensuing higher degree of mechanization was the goal in agriculture during Soviet times, now it is solely all about cost minimization. Since the fall of the Iron Curtain, the former Soviet republics can no longer rely on cheap harvesting machines. Imported harvesters drive up costs, meaning that the harvest in Uzbekistan is almost entirely carried out manually.

The strategically important cotton sector is entirely state regulated and organized by the government in a hierarchical manner, using planned economy methods. Just as in Soviet times, the harvest targets are determined top-up and transferred bottom-down to the local administrations. Production quotas are even calculated down to the individual workload of each individual pupil. Officially individual farmers are the decision-makers. In reality, they do not have any say in matters. The farmers are not free to determine any aspect; neither cultivation, nor harvest nor sales. The state alone stipulates production volumes and prices. Farmers who try to manage without child labour, suffer high losses and are unable to reach state quotas.

Child exploitation has long been denounced by international non-governmental organisations. Increasing pressure on international cotton traders led to Uzbekistan ratifying two UN conventions in 2008 and 2009: Convention 138 of the International Labour Organization (ILO) for compliance to the, "Convention concerning Minimum

Age for Admission to Employment," and Convention 182, "Convention concerning the Prohibition and Immediate Action for the Elimination of the Worst Forms of Child Labour." These conventions also imply ILO inspections of the cotton fields. Additionally even a national action plan was drawn up to combat child labour. However, the Uzbek children have yet to benefit from these good intentions. Despite repeated promises from the government, international observers have not yet been permitted access to monitor harvests. In order to hush up the extent of child labour, ILO delegations have only been allowed to inspect the fields in summer or winter. Consequently, the agreed and necessary monitoring of conventions is not possible.

What contribution can the international community make to prevent forced child labour in Uzbekistan? Firstly, it is essential to verify compliance with the signed conventions. For this to happen, European countries within the ILO must insist that international observers are allowed into Uzbekistan during the harvest. Otherwise, sanctions should be imposed.

Boycott still on the distant horizon

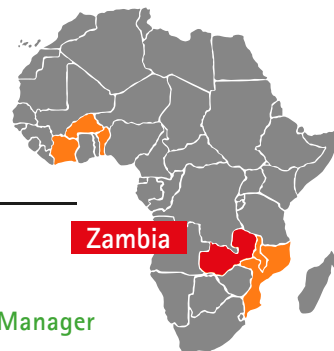
Secondly, the ILO must formally denounce state-supported child labour as such in Uzbekistan. Contrary to other countries, which have previously been in the international limelight due to child labour, Uzbekistan and Burma are the only countries which benefit directly themselves from forced child labour. This form of child labour must also be condemned worldwide. Germany therefore has to increase pressure within the ILO, in order to push the organisation towards making a clear statement on the issue as well as expressing condemnation. Thirdly, a trading boycott needs to be imposed on cotton from Uzbekistan. For instance, currently, German traders and banks benefit from trade with Uzbek cotton. A boycott is still on the distant horizon. As an initial step, the EU Parliament has halted a trading agreement, due to human rights concerns. This means that at the very least, Uzbek cotton cannot reach the EU on preferential terms. •

This article was originally published in the *Neue Zürcher Zeitung (NZZ)* on 17 February 2012 (in German language).

About the author:

Viola von Cramon is a Member of Parliament for the Green Party in the German Bundestag and spokesperson on EU external relations. She studied Agricultural Sciences at the Rheinische Friedrich-Wilhelms University in Bonn and was involved in many international projects in Russia, Belarus, Ukraine, Estonia, Poland and China, in particular in the fields of ecology, agriculture and regional development in Eastern Europe. Viola von Cramon is married and has four children.





Zambia

Ploughing Back Into The Community

By Daniela Nordmeyer (Baseline Survey Researcher) & Gracious Hamatala (Yield Program Manager at Dunavant Zambia Ltd.)



Gracious Hamatala & Daniela Nordmeyer

Inadequate learning facilities leading to poor education remains one of the key reasons for the low level of development in Zambia. For a cotton company like Dunavant, engaging in social infrastructure improvement measures cannot only be a core part of acting in a socially responsible manner, but can have other benefits, creating a win-win situation for both the company and the farmer community. Improving the educational conditions can mean better access to and higher quality of education for children of farmers, whilst simultaneously strengthening the relationship that a cotton company has with these smallholder communities.

Alex Shamane, Agricultural Manager at Dunavant Zambia, says that "despite the knock-on effect that the currently low cotton market prices have on the company's relationship with farm-

ers, they will see beyond this aspect and develop confidence in Dunavant longer term. The investments ploughed back into the community – through development projects such as schools and boreholes – will not only strengthen the image of Dunavant as an organization, but will improve literacy levels which ultimately translate into educated farming communities with improved livelihoods."

Dunavant Zambia, together with its project partners Otto Group and DEG (German Investment and Development Corporation), have embarked on a three-year project aimed at creating a better learning environment for children in rural communities in all of the nine cotton production regions Dunavant operates. The three partners have committed to co-fund new infrastructure, including the construction of new or renovation of existing classroom blocks, sanitation facilities and boreholes, as well as equipment, such as desks, books and solar electrification panels. The communities contribute to these investments by providing building materials such as moulded bricks, crushed stones and sand as well as labour.

School project baseline survey completed

Over the period February to May 2012, another project milestone could be achieved by completing a baseline survey of the participating schools. The schools were chosen based on a number of criteria, including for example the overall cotton sourcing volume from the community, the longevity of the relationship between the community and Dunavant and the communities'



Pupils and teacher of the Chisumpule Community School in the Choma District



Zambia



Outside Classes in the Choma District.

of schooling age, the project is appropriate and timely according to many of the head teachers interviewed during the assessment visits. Godfrey Chimuka is head teacher at Chisumpule Community School in Choma District which teaches pupils up until Grade 4. He gave multiple reasons why this project could be of benefit to them: "We want to accommodate Grade 5 to 7 at this school. At the moment, these older pupils have to walk up to 20km every day to get to the neighbouring school and home again. This is extremely long and not always safe." He adds that "with this new infrastructure, the school would also qualify for adoption by the government which increases the chances of receiving more funding, desks, learning materials and allocation of trained teachers, all of which support pupils' performance". The benefits go even further according to Mr. Chimuka. "We also have many illiterate parents who may get the chance to learn how to read and write as their children pass on the skills. Improvement in education would not just

vulnerability in terms of the lack of schooling infrastructure. The survey does not only assess the existing capacity of the schools and pupils' performance levels, but it also provides Dunavnt with information to make informed decisions on how to allocate the resources mentioned above.

The survey showed that a total of 3,735 pupils (49.5% male and 50.5% female) will benefit from the project. The assessment revealed a significant shortage in classroom space as well as a deficit of 686 desks and 17,624 school books across all nine schools. In many cases, schools improvise their seating arrangements with moulded bricks, and with regard to school books, it is not an isolated case that a school has only one or two copies per grade and subject to be shared by an entire class. Poor sanitation facilities and lack of electricity are additional aspects that are in need of urgent attention. The survey also highlighted low staffing levels as one of the major challenges faced by the schools with pupil-teacher ratios of up to 107 to 1. In general, community schools are worse off than government schools in all of these aspects.

Community and government schools supported

The nine schools consist of a mix of government schools and community schools. Government schools are developed by the Ministry of Education while community schools are initiated by the community where a need for schooling infrastructure was identified. Often, community schools receive limited or no support from the government, and there is a benefit for community schools to be adopted by government as it entitles them to some of the scarce resources in the future.

In light of the limited funds of the Zambian Ministry of Education for accommodating the country's large number of children

benefit children, but the entire community as better educated farmers can easily understand complex information such as pest management in farming." Although the investments may not be able to solve all of the schools' challenges and concerns, they will be an important step to bring significant improvement. •

About the author:

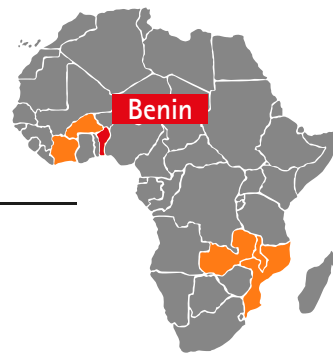
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as ethical trade and labor standards, environmental management, stakeholder engagement and trade regulations. She has worked with a number of leading organizations in this field across Europe, Asia and Africa including global companies, the public sector and civil society. Daniela currently works as a freelance consultant in London.

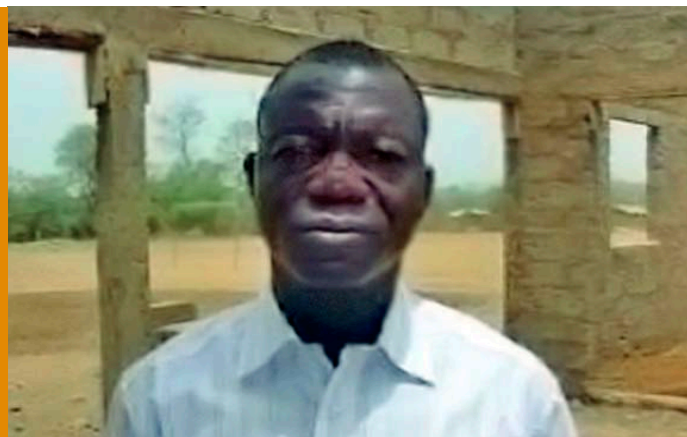
Education: MSc in Development Management and Anthropology from the London School of Economics





How Cotton made in Africa supports schools in Benin's cotton region

Interview by Christoph Kaut (Managing Director of the Aid by Trade Foundation) and Lara Mockewitz (Junior Project Manager at the Aid by Trade Foundation)



Monsieur Arouna

Experiences gained by Mr. Arouna - cotton producer and head of APE (Association des Parents d'Elèves - parents' association)- with regard to project co-education, initiated by Aid by Trade Foundation, in cooperation with AIC, DEG, GIZ, ICA and Tchibo.

Mr. Arouna was born in Brignamaro, a village located in the eastern commune of Kérou, 166 km away from Natitingou. He is 43 years old and works as a cotton producer in the north of Benin. For 8 years, he additionally has been working as head of APE in a village school in Brignamaro, that forms part of the co-education project. Around 700 pupils attend the school: group B, which falls within Mr. Arouna's area of responsibility, includes around 280 pupils and group A around 400 pupils.

Mr. Arouna, could you kindly explain in detail how APE works?

The association consists of teachers and parents, which are all members of the APE bureau and whose children are all attending the school. APE undertakes recruitment efforts for children, especially for school-age children who run the risk of forfeiting their right to education and knowledge. Furthermore, our work includes practical and organizational tasks, such as the holding of general meetings during which important decisions are made concerning the association's activities, school life, employment of teachers if there is a lack of teachers and teachers' salaries.

What are the main objectives that APE has set itself?

The most important aspect of my work is raising public awareness about the need to send children to school and dealing with conflicts which may arise between parents and teachers. Not less important is the pedagogical monitoring of the pupils as well as to analyze the pupils' results with the teachers and to inform the parents correspondingly. Beyond that, we analyze cases of early school leaving in order to make parents more aware of their responsibilities and roles. It sometimes happens in such cases that parents are summoned by local authorities in order to get their children back to school. It is apparent that cooperation with the parents is an essential component of our work. This also applies to financial and material involvement of the parents, with a view to realization of lunch rooms, gardens and modules. This contributes to a closer identification of parents and children with their school.

Could you briefly illustrate a typical day in the life of a student, both prior and after formation of APE?

Before APE was established, children had been able to drop out of school without parents understanding them. Parents were not in-

formed when teachers did not show up. Now, thanks to APE, pupils are supervised and parents are quickly notified. Also the teachers' regular or irregular attendance at school can now be verified by the parents. APE can therefore be regarded as an extension of the school towards the community and the dynamic interrelation leads to further progress.

What has been achieved so far within the framework of the project co-education?

What equipment is concerned, pupils from my school were provided with CmiA- khaki uniforms for a period of two years. In 2012, we additionally have been supplied with construction material as well as with equipment for the lunch room. What immaterial values are concerned, we have been able to raise awareness among a great number of people and, as a result, children are sent to school. We are very pleased with the progress.

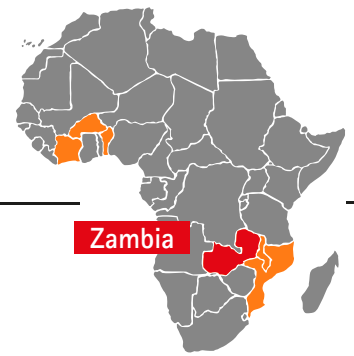
Mr. Arouna, what wishes do you have for your school and its pupils for the next two years?

I am convinced that enrolling our children in schools is an essential requirement for the development of our country. This aspect forms the integral part of the project co-education. The massive recruitment of pupils, however, requires an increase in the number of teachers in order to cope with the growing number of pupils. And this, in turn, involves the establishment of further school classes (group C). Thus at the latest in two years' time, additional class units and larger school canteens will be needed. Last but not least I hope that thanks to the project our pupils will learn a lot of things that will help them to lead a better life with increased possibilities.

Thank you very much for your time and for answering our questions, which enabled us to gain a better insight in your work.



Since September 2009, Lara Mockewitz (second from the left) worked as a Junior Project Manager for the Aid by Trade Foundation and supported the Cotton made in Africa Team. Unfortunately, she recently decided to leave AbTF in order to pursue new professional challenges. Therefore we, the entire COMPACI management team, would like to thank Lara very much for the excellent cooperation - and wish her all the best for her future career!



Kagoro Farmers Bank / MC² in Chipata, Zambia: the dream of having an own bank account

By Roger Peltzer (COMPACI Project Director)

Kagoro is situated 22 km from the nearest bigger city Katete. There are no banks and no microfinance institution in Kagoro. Every farmer seeking to open a bank account needs to go to Katete, which means that travel costs exceed the interests earned on savings.

For this reason, Kagoro's 1,900 cotton farmers and their families are forced to either spend their earned money - e.g. proceeds from the cotton harvest - straight away or to find a fairly safe hiding place. Not only the risk of theft is high, but also the risk of losing all savings - next to losing their homes - in case of fire. In the event of death, relatives often have no information on the whereabouts of the dead person's savings.

The establishment of a bank in Kagoro, however, would not only benefit farmers what the depositing of savings is concerned. During pre-harvesting many families nowadays depend on money lenders and their horrendous interest rates as all their savings are exhausted. Having a local bank in their own village would, however, enable them to borrow money for a period of 2 - 3 months at more attractive rates.

Against this background, COMPACI invited the chairman of the very successful Cameroonian MC² cooperative banks to come to Chipata in order to debate with the farmers and Cargill on whether to adopt the Cameroonian model in Zambia.



The twelve members of the executive committee



The board of the executive committee of the Kagoro Farmers Bank/MC² (from left to right): Martin Maulana Phiri (Chairman, cultivates 4 ha of agricultural land), Rabson Phire (Vice Chairman, cultivates 12 ha of agricultural land and owns 50 oxen), Hellen Fembo (Treasurer, cultivates 4 ha of agricultural land), Djani Jere (Secretary, Cargill employee)

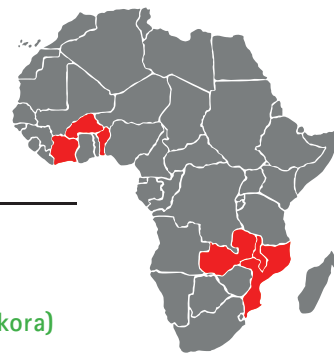
Given that the general response of all parties involved was very positive it was decided to initiate a pilot project in three villages, one of which is Kagoro. Executive Committees mainly consisting

of farmers, but also of locally elected representatives and Cargill employees, have been formed in all three villages. Anyone providing a contribution of 30 USD may become a member. What Kagoro is concerned, 1,000 founding members are anticipated. The bank is supposed to dispose of its own building and of staff members who are recruited in the

village and who then obtain the necessary training. Technical Assistance is provided by Intermarket Bank, a subsidiary of the Cameroonian banking group Afriland First Bank, which initiated and accompanies the MC² cooperative banks there. Some of Intermarket Bank's employees are from Cameroon and at the same time members of their respective cooperative bank in their home villages. Also the CEO of Intermarket in Zambia is from Cameroon. The three pilot banks are scheduled to be established by the end of the year and opening of the counters is planned for early 2013. All in all, this serves as another example of how COMPACI facilitates exchange of experiences between different African partners. •



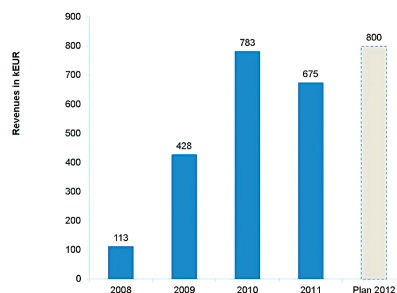
Robert Nkous
(Managing Director Intermarket Bank)



Business Development of the CmiA market

By Stephan Engel (Managing Director for Sales & Finance of Cotton made in Africa | Atakora)

A difficult season 2010 / 11



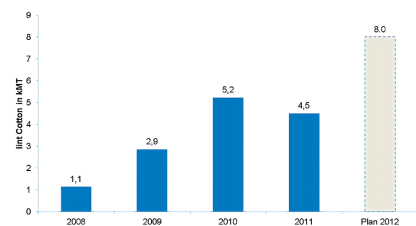
Return on selling CmiA on basis of licenses in kEUR

and a recovery in 2012. What was happening? One general problem was that CmiA so far had never successfully crossed the German borders to enter into a partnership with international brands and retailers from other important markets, such as the UK, US or Scandinavia. By that time, international market leaders like IKEA, M&S, H&M, Levi's and adidas had founded the BCI, a standard-setting body for sustainable cotton production with a global scope that corresponds with the needs of multinational companies which rely on global and flexible sourcing systems. The structural problem for CmiA within this context is the African niche, with the following two main aspects:

- The importance of African cotton compared to other cotton producing countries such as China, Pakistan, India and Brazil is relatively low (5% of world cotton production, 12% of world trade)
- To organize the textile supply chain against the natural flow (e.g. processing African cotton in India) is costly

Another aspect that explains the development during that time were missing targets and strategies from CmiA partners. Today the shift is clearly visible, as most partners have fixed or are about to fix clear targets regarding the volumes they want to procure in the future. But within the first years the partners had been experimenting and testing, without having clear strategies and commitments.

On top of that came the cotton crises with historically high prices in 2010, which led to the downfall in 2011, as retailers (e.g. PUMA, Tchibo) were canceling orders or did not place any orders at all. A similar development can also be seen in the organic market, with 240kMT in 2010, 210kMT in 2011 and 240kMT in 2012 (Textile Exchange, Global Market Report on sustainable Textiles 2011).



Overview: CmiA lint cotton in metric tons.

promotes fixed volume commitments with lower unit costs.

The market lint cotton is growing

In general it can be ascertained that it becomes more and more important for companies to source their raw materials under transparent and controlled conditions that are in correspondence with social

and environmental standards. What coffee and cocoa sustainable production is concerned, standards can today be seen as a matter of course. Whereas 20% of cocoa is produced sustainably today (meaning following the criteria of a sustainability standard), the share of sustainable cotton production in 2011 was worldwide only at 2.5%. If we agree that the development in cocoa (or coffee) will also apply to cotton, we clearly see that we are currently at the early stages.

From 2008 to 2010 the start up phase was characterized by a dynamic growth, during which many German retailers could be won to follow Michael Otto's call to join the CmiA demand alliance. The two following years were rather characterized by stagnation, with a downfall in 2011

and environmental standards. What coffee and cocoa sustainable production is concerned, standards can today be seen as a matter of course. Whereas 20% of cocoa is produced sustainably today (meaning following the criteria of a sustainability standard), the share of sustainable cotton production in 2011 was worldwide only at 2.5%. If we agree that the development in cocoa (or coffee) will also apply to cotton, we clearly see that we are currently at the early stages.

For scaling up the demand the coming years, the industry needs standards like BCI and CmiA. Organic cotton production will remain a niche system due to the many restrictions and costs involved. The same applies to the Fairtrade Standard which is seen as too rigid and costly for a high volume approach.

- In 2010 and 2011 we heard clear signals from leading retailers that together account for a substantial amount of cotton demand (ca. 10%). They have publically stated their targets to what degree they want to source sustainably produced cotton in the future:
- | | |
|--------|---------------------------------|
| IKEA | 100% sustainable cotton by 2015 |
| adidas | 100% sustainable cotton by 2018 |
| C&A | 100% sustainable cotton by 2020 |
| H&M | 100% sustainable cotton by 2020 |
| PUMA | 50% sustainable cotton by 2015 |

The BCI estimates that their members will demand for 1 million tons of lint cotton in 2015, whereas their members will count for 15% of world cotton production. In 2012 the demand from the 5 BCI Fast Track members is estimated to be 200 kMT, with 10% demand for African Cotton.

In summary we can well argue that the global demand for sustainably produced cotton will increase in the future. The central question is how to position CmiA successfully in this market in order to have access to the BCI members and to secure sufficient and stable income?

Collaboration with BCI is established

In order to further strengthen the performance of marketing African Cotton via Cotton made in Africa the Aid by Trade Foundation and ATAKORA are partnering with the global sustainable standard for cotton production – the BCI. Both cooperation partners share a common goal: to improve the living conditions for smallholder farmers and employees in developing countries along with the ecological conditions of cotton production by selling sustainable cotton on the mass market. Through this partnership, CmiA will be marketed via a considerably wider distribution channel as it gives access to international market leaders like IKEA, M&S, H&M, Levi's and adidas that together represent around 15% of world cotton market.

The partnership agreement between BCI and AbTF/ATAKORA was signed in April 2012 and the terms of trade for merchants to deal with CmiA/BCI cotton are going to be released in July 2012. From 2014 onwards BCI will implement a similar volume based model as AbTF/ATAKORA. Within the partnership between the two organizations this step can be regarded as a crucial milestone, as it will establish a robust financing system between the two parties. •

