

West Africa – Stakeholder Consultation Report – July 2007

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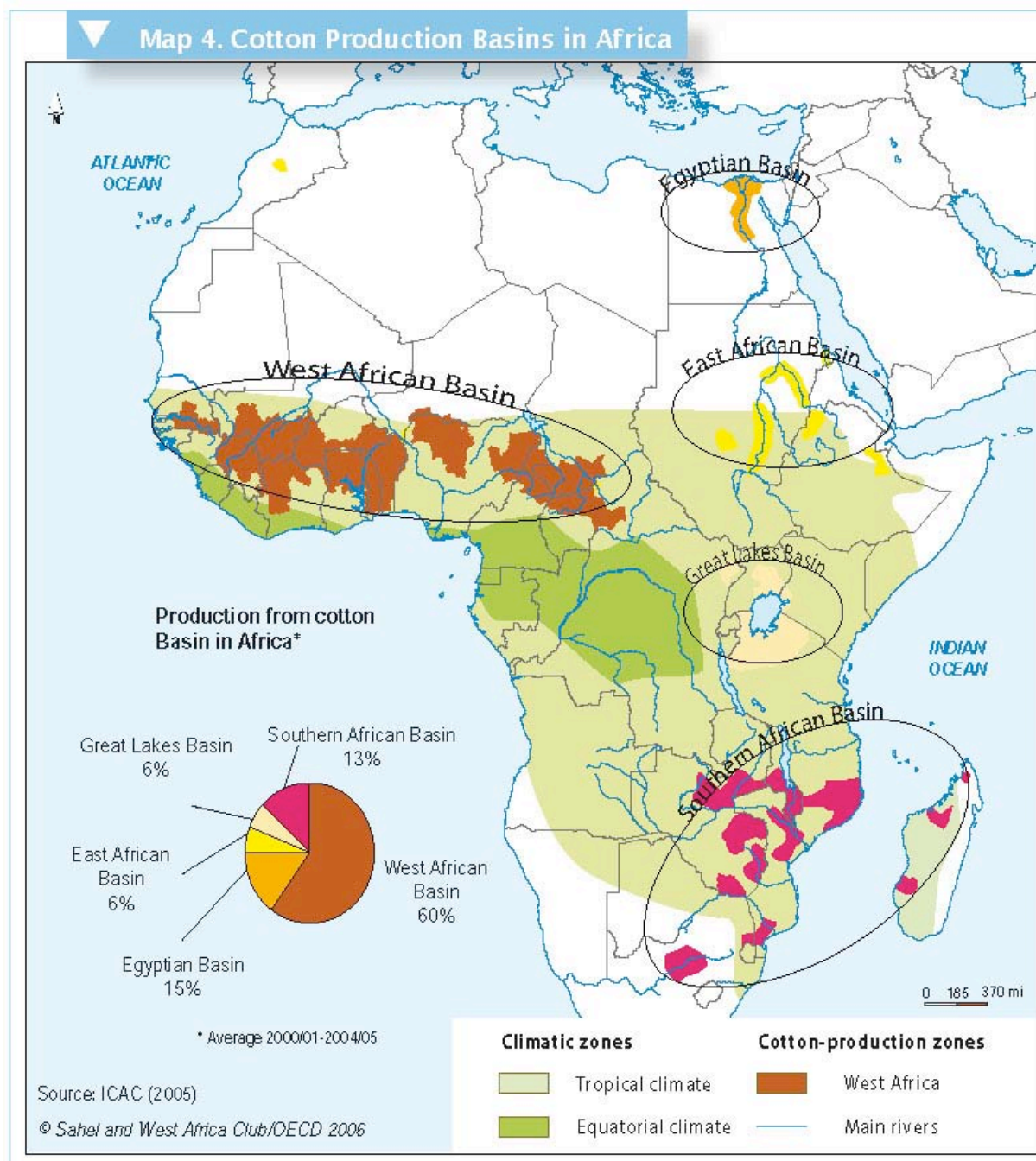
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I. Organisations consulted in Mali, Burkina Faso, Benin, Senegal
(other than participants in AProCA workshop)

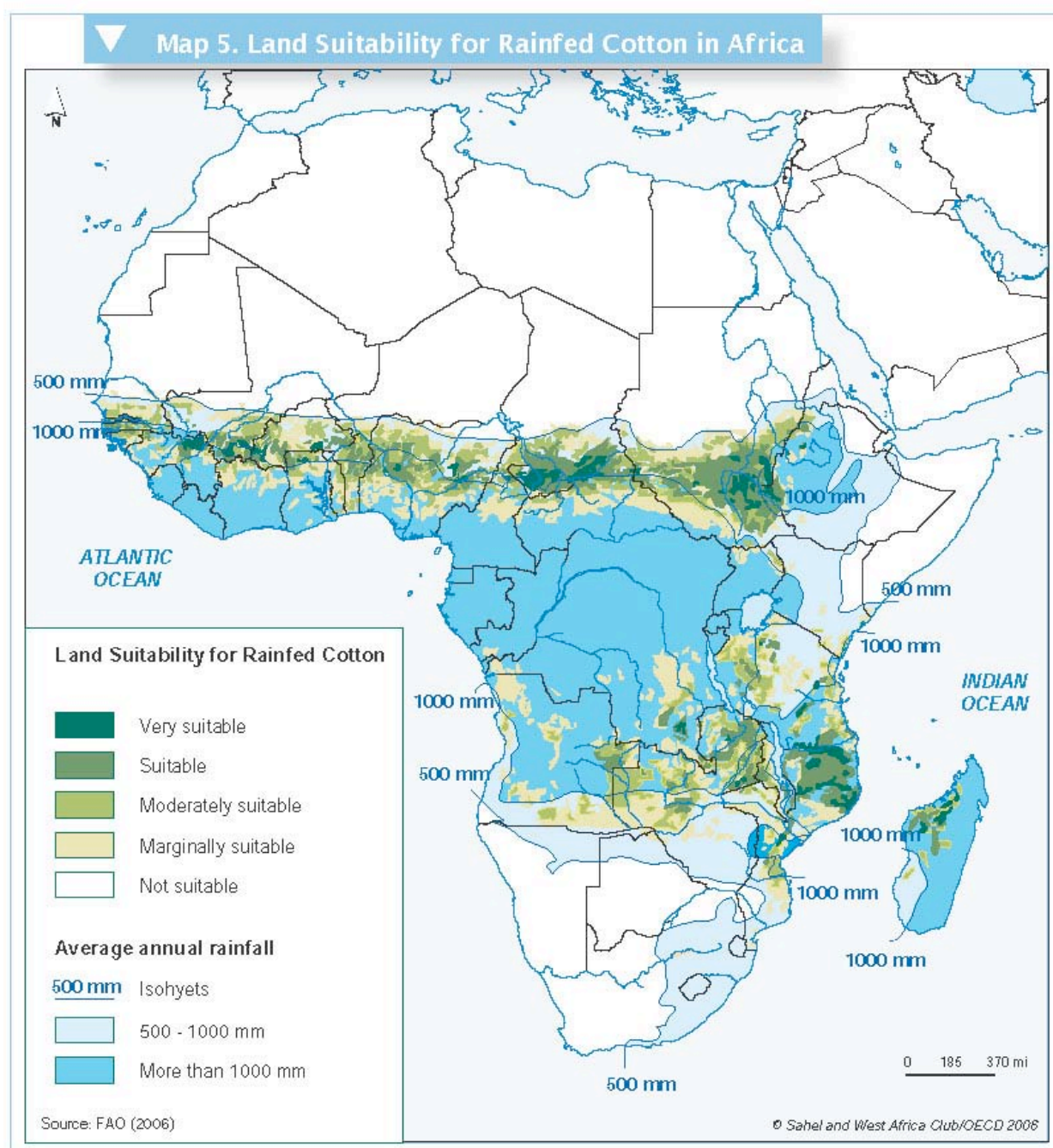
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II. MAP OF WEST AFRICAN COTTON BASINS



Source: Atlas on Regional Integration in West Africa "Cotton", ECOWAS-SWAC/OECD August 2006

III. MAP OF AFRICAN LAND SUITABILITY FOR RAINFED COTTON



Source: Atlas on Regional Integration in West Africa "Cotton", ECOWAS-SWAC/OECD August 2006

IV. KEY POINTS SUMMARY

Views on BCI

- AProCA is willing to work with BCI as a regional partner: a timeline was agreed for next steps to establish a Regional Working Group in partnership with AProCA:
 - BCI to send a formal letter of invitation to AProCA to join the Advisory Committee before end-August.
 - BCI to respond to AProCA on geographic scope of RWG beginning of September 07.
 - BCI and AProCA agree on participants in RWG and date for the first meeting by end October 07.
- BCI's method of engaging with producers initially (i.e. engaging with them at the start of the development process, rather than arriving with a 'finalised' concept) was very welcomed and considering refreshing. However, producers are not necessarily going to identify all the issues relevant to BCI – such as labour issues. Other stakeholders thought engaging with producers initially was both appropriate and productive, and were willing to support BCI if producers were interested and supportive.
- Key concerns expressed with BCI:
 - Link to market (eg no premium price);
 - Identification - how will Better Cotton be identified as Better Cotton? And interest to promote 'African cotton' (quality) label on part of producers
 - Decent Work was not perceived by producers to be a relevant challenge; BCI's concern with the role of women & children in the sector was perceived by some stakeholders, producers in particular, to betray a misunderstanding of the socio-cultural context of family farming in West Africa.
 - Definition of which countries BCI includes in the West Africa region; and that AProCA is an African representative organisation.
- In the context of West Africa, contrary to one of the main arguments for 'why adopt' Better Cotton: i.e. reducing production costs through adoption of better practices (reduced or more effective use of inputs) in order to increase yield and therefore increased net profit to the farmer, the needs of producers are commonly reported to be: more fertiliser; better quality – and potentially more expensive – pesticides. In addition, the increased labour intensity of more ecologically sound practices together with the associated costs of reducing unacceptable forms of children's participation and equitably rewarding others' participation (e.g. women) may well translate into increased labour costs and therefore increased production costs, which may not be counter balanced by increases in quality or yield. Note that improvements in quality (both seed & contamination) and yield were commonly highlighted as important and appropriate areas of activity.

General Context

- It is important to remember these countries' economic dependence on cotton exports (Mali, Burkina Faso, Benin), and therefore the significance of any intervention. Cotton has undoubtedly played a role as the motor of economic development for the countries as a whole (Mali, Benin, Burkina Faso); IER claimed that 50% of the population of Mali is involved in cotton
- Despite its importance to the economies of most countries in the region, the cotton sector in these countries remains in crisis as cotton companies – both public and private – continue to operate with financial deficits. The deficits in turn delay the financing of the purchase of cotton from farmers and the procurement and distribution of inputs.
- There is significant activity already going on, both in relation to donor-funded development programmes, extension work, and cotton supply chain initiatives (Fairtrade; organic; CMiA)
- It would seem very difficult to dissociate sustainability concerns from economic factors: namely under current prevailing economic conditions, West African cotton farmers are obliged to produce in an 'unsustainable' manner, giving away a part of their soil fertility in the produce they sell. In these circumstances, of which most farmers are aware, there are not many ways in which to increase both profit and sustainability (ie make BCI reality) without cotton-users paying more for cotton.
- Revenues derived from market prices are perceived by most stakeholders to be the key factor in the sustainability of West African cotton; for this reason, much discussion was entertained over the BCI rationale for not including premium payment in the 'BCI model'. It should be noted that the response – that BCI seeks to improve profitability through a reduction in production costs and an increase in yields through promoting better farming practices, thereby increasing profit margins – was not always perceived to be compelling, particularly in the context of West African cultivation where arguably greater input use (fertiliser) is required, and the promotion of Decent Work would almost certainly increase labour costs. This requires that BCI adopts a broader perspective on how profitability can be improved, i.e. that both a reduction in input costs and an increase in inputs (provided of course that the increase in yield off-sets the increased input costs) are possible approaches. It needs to be determined how significant a challenge to BCI's work on the economic sustainability of cotton growing in West Africa this presents, and deserves concerted reflection.

- The scale of resource implied by 'working at the farm level' – in terms of significant interventions to improve farming practices and thence socio-economic outcomes for farming communities – should not be underestimated. As an indication, the AFD project working with the UNPCB national farmer organisation to provide advisory services to farmers in Burkina Faso alone is budgeted at €11m over five years. Similarly, FAO's program is targeting around 1,000 cotton farmers in Mali, i.e. a 3 year program is looking to target less than 0.5% of cotton farmers (or 0.3 % if ICAC figure of 300,000 cotton farmers in Mali is used)

Cotton Infrastructure / System

- While countries are in different stages of liberalisation, former national monopolies in many cases retain sizeable sway over farm level actors in terms of input, credit provision, and cotton purchasing. Cotton systems are still characterised by an absence of free competition and thin markets.
- Cotton farms in general are between 2.5 and 5 ha. These are family smallholdings, with the family as the basic economic unit providing labour throughout the cultivation cycle.
- 'Cotton infrastructure' in the region revolves around the role of the national cotton company who are to varying degrees responsible for provision of inputs (including which type), extension, ginning, and purchasing of cotton. In most cases the national cotton company shareholders include state, private, and producer organisation interests.
- 'Cotton infrastructure' provides access to forms of credit to support cotton cultivation. In many instances this represents the only access for farmers to credit (and therefore inputs) hence explaining one of the motivations for producers to choose to grow cotton.
- While there is a strong local perception that African cotton is very good quality cotton, the problems associated with contamination in particular are well recognised, to the extent that there is a risk that 'Better' will be taken to refer exclusively to fibre quality. [AProCA have announced on their website that BCI is a partner for quality cotton – see: http://www.aproca.net/index.php?option=com_content&task=view&id=118&Itemid=60]

Environmental / Farming Practices

- Soil health is the key problem facing cotton producers, generally as a result of low levels of organic matter; some soils may also be low in phosphorous; in many cases producers are aware of the problem but access to fertilisers (both synthetic & organic) is difficult, and producers may not be as aware of potential solutions. The issue is therefore not over-use of fertiliser, but under-use.
- Compared to the issue of soil health, insect control and pesticide use was considerably less quoted as a significant challenge. Nevertheless, a range of claims was made about the extent of pesticide use, from relatively low levels (6-7 applications) to high levels (20 applications).
- The issue of natural habitat preservation is dominated by the need for certainty regarding land tenure, and the tension between nomads (animal herders) and farmers.
- Water management was not cited as an issue at all, except to the extent that as it is a rain-fed farming system, they are at the mercy of the season. Contamination of water sources, either through farm run-off or improper mixing of pesticides or washing of application equipment, was not raised or mentioned except during discussions at the AProCa/BCI workshop.
- Fibre quality was often highlighted as a critical issue; despite the often-repeated claim that the cotton was of high quality and that this is just not recognised by the market, there was an acceptance of the need to manage and improve the existing quality, both through agronomic management (largely seed quality control) and harvest/post harvest management.
- Relatively expensive inputs; effective monopoly on input provision; often pesticides are old, broad-spectrum (i.e. not selective in the insects killed), inappropriate for the pest being targetted and may be illegal — and therefore of doubtful quality, efficacy and suitability.
- Cotton is seldom grown in isolation; it is almost always grown as part of a wider farming system that often includes maize, sorghum and vegetables.
- A fundamental challenge for addressing the environmental impacts (especially pesticide use and management) will be overcoming the structural forces that work to place as much of the production risk as is possible on the farmer, eg. decisions on type of inputs are taken away from them, and are potentially driven more by cost/profitability considerations of the supplier than safety/effectiveness considerations of the producer. However, producers do have power to make choices everyday, such as how much cotton to plant; which crop to focus their attention on; how to use the inputs they are given; how to respond to market prices.

Socio-Economic

- The male head of household is commonly designated as the producer whereas the entire family participate in cotton growing. However financial value accrues to the head of the household. In other words, the key workers in cultivating cotton often are not remunerated.

- Cotton is grown primarily for economic reasons (secure access to both inputs on credit, and to a market); however a profit to the farmer is not guaranteed, particularly in the context of relatively low international prices (e.g. between 145 and 170 FCFA = 0.22 and 0.26 Euro cents per kilo). While the low world-price was invariably cited as the primary cause of low producer incomes, the structure of the entire 'filier' was never cited; see the following Table regarding the value of west African cotton at the various stages of the supply chain:

Table: Comparative value of cotton at various stages of the supply chain

Stage	Price paid	Price, US cents/lb	Assumptions
Farm gate, Mali first quality	160 FCFA / kg	26	Exchange rate 0.35971
Farm gate, Benin first quality	170 FCFA / kg	27	Exchange rate 0.35971
Farm gate, Burkina first quality	145 FCFA / kg	23	Exchange rate 0.35971
Raw material cost of ginned cotton, per pound, Mali		58	45 % turn-out
Raw material cost of ginned cotton, per pound, Benin		60	45 % turn-out
Raw material cost of ginned cotton, per pound, Burkina		51	45 % turn-out
FOB ginyard, Australia (36's)	A\$439	72	2008 delivery, as at 18/9
C/F Far East Australia (36's)		82 (est.)	As at 17 September 2007
Current A-index price		67.3	As at 14 September 2007
Quoted Price, various West African cotton bales, C/F Far East			
Mali (35's)		69	As at 14 September 2007
Benin (35's)		69.5	As at 14 September 2007
Burkina Faso (35's)		70	As at 14 September 2007
Mali (36's)		70.25	As at 14 September 2007
Benin (36's)		70.75	As at 14 September 2007
Burkina Faso (36's)		71.25	As at 14 September 2007

NB: The farm gate price paid to a west African farmer is for seed cotton, i.e. both the seed and the lint, while the FOB ginyard price received by the Australian farmer is for the lint only; thus the west African farmer does not have to pay for ginning while the Australian farmer does. However, the Australian farmer also gets paid an additional amount for the seed, which is usually enough to cover the cost of ginning (and currently they even receive a credit). It is not unreasonable to compare the two prices as they are both effectively the price received for the lint net of ginning.

Thus the price the Australian farmer receives for their cotton, per pound, is similar (even higher) to the price that the spinner in the Far East pays for west African cotton, delivered to a far eastern port. Alternatively, an Australian farmer receives over 85 % of the C/F price, whereas a Malian farmer receives 37%, Beninois 38 % and a Burkinabe only 32 %.

- Revenues derived from market prices are the key economic factor; however there are several other important economic factors: timeliness of payments; interest charge on input related credit; efficient distribution of inputs; access to credit for long term investments other than inputs and equipment and for sporadic financial needs relating to family situation..
- Optimum prices are frequently not achieved due to quality issues i.e. risk discount in relation to contamination likelihood; lack of good storage / transport facilities.
- The principle on Fibre Quality was commonly seen as an economic principle; and in general the economic principle, Access to Credit, was considered the weaker of the principles.
- Region is characterised by very high degree of producer organisation; commonly the cotton sector is the most organised. This translates to a multiplicity of producer organisations from local to regional levels. However, the level to which local farmers are 'represented' through these structures is not clear. Producer Organisations are also closely involved as both shareholders and stakeholders in the organisation of the 'cotton infrastructure'.
- The existence per se of these producer organisations is not so much the issue, as their capacity and therefore effectiveness; particularly where they have assumed functions such as input distribution e.g. in Mali.
- Vast majority of labour in the sector is provided by (extended) family; some larger farms recruit external labour inputs particularly during peak demand e.g. harvesting.

- Two contrasting pictures: children's participation is part of a family unit which is not problematic provided that activity does not imperil either the child's physical or mental well being or education; on the other hand there is a distinct and documented phenomenon related to intermediated child labour migration (trafficking) which is under no circumstances acceptable. This potentially useful distinction is somewhat undermined by ILO's apparent view of all children's participation within the cotton sector as 'child labour' (see below).
- There is a gulf between stakeholders on the issue of Decent Work (child labour), ranging from ILO (who perceive most forms of children participation in cotton cultivation to constitute 'child labour', and potentially 'worst forms of child labour', due to the dangers) through donors and civil society (who are pragmatic about the feasibility of achieving any change in the short to medium term), to producers (who in general do not perceive it to be a problem and rather to be a misunderstanding of the socio-cultural context of family farming in the region).

Implementation

- All implementation options present a challenge in the West African context. The current model can be generalised as 'paternalistic', with the main decision left to the farmer being 'do I grow cotton?' If yes, then the choice of inputs, and often when they should be applied are decisions made by the cotton company. The Farmer Field School (FFS) approach of 'action-learning' by participation and demonstration, while offering the ability to empower the farmer, has also been criticised due to both its resource-intensive nature and because experiences working in West Africa indicated that the FFS approach was not very successful; the one-size-fits-all approach being highlighted as the fundamental flaw. The third approach of promoting recommended best practices, needs to overcome the resistance of changing current practices or knowledge. It was claimed that approaches based on 'disseminating good practice' have not proven effective, for several reasons:
 - the need for specific and tailored advice to farmers, rather than generic 'best practice';
 - the failure of uptake through existing channels of dissemination
 - the absence of sufficient demonstration effect and credibility of disseminators
 - the lack of capacity of individual farmers to implement change (particularly given that around two-thirds of farmers in the region are illiterate).
- Translating 'techniques' or 'science' into messaging that will be understood, and more importantly believed, by producers is a process that requires serious consideration.
- Does 'Better Cotton' for producers and the environment mean growing less cotton? i.e. reduced dependency on high risk cash crop which may fail to bring economic rewards grown in the absence of any other cash crops. Or does better cotton for producers, mean selling cotton seed for bio-fuels?

V. RECOMMENDED NEXT STEPS

1. Immediate next steps

- Establish and confirm clear overview of existing work of established agencies and organisations working in the sector (with the potential aim of ensuring each initiative has a good understanding of the other initiatives, and that opportunities for collaboration are explored)
- Consolidate and formalise relations with key actors – particularly branches of national government where this has not already been undertaken, or needs further work (eg CMDT Mali); and with regional offices best placed to represent institutions on RWG (eg West Africa desk of AFD Paris)
- Determine and agree composition of Regional Working Group with AProCA, and determination of geographical scope of RWG
- Engage ACA (African Cotton Association) – via AProCA – in order to represent cotton companies within RWG
- Plan RWG meeting for Q1 2008
- Considered reflection and discussion on the issue of economics (input costs and labour costs) in relation to the 'offer' of BCI to farmers in West Africa.

2. Short-term

- Assess and aggregate existing literature and research on West African cotton sector: there is a wealth of development/academic literature on the challenges facing the West African cotton sector; BCI could profit from ensuring that it has a good sense of the debate
- Consider taking on rural development expertise: West African cotton growers and their communities face specific challenges relating to broader questions of agricultural/economic development; BCI does not currently have experience or expertise in this area

- Engage with other initiatives working to promote environmental and social sustainability in West African agriculture with the aim of ensuring each initiative has a good understanding of the other initiatives, and that opportunities for collaboration – if any – are identified. This is particularly pertinent to the experience of ‘what works’ within ‘farmer education’ methodology (for instance, IPEC/cocoa initiative experience of working with Farmer Field School methodology on child labour issues, FAO FFS methodology on good agricultural practices) as well as others’ on broader issues beyond the farm level (for instance, AFD work on broader cotton infrastructure, Oxfam and SNV work on producer organisations.)
- Secure funding for and recruit in-country ‘focal point’

VI. BACKGROUND

The objectives of the mission were:

- To consult with and develop relations with AProCA as the producer partner organisation for BCI in West Africa, by means of organising a workshop with AProCA member organisations
- To explain the origins and intentions of BCI, the current state of BCI activity, BCI principles and the way in which BCI intends to develop its Better Cotton work in West Africa to a broad range of stakeholders
- To further identify local, national and regional organisations in West Africa relevant to the realisation of BCI Global Principles
- To understand the scope and nature of these organisations’ activities, their views on the challenges to realising sustainable cotton in West Africa and on BCI, and their ideas as to how BCI could bring its organisational value to bear with regard to the sustainability of cotton-growing in West Africa
- To understand the characteristics of the cotton production system, and the specific technical and environmental issues facing cotton producers in West Africa.

VII. WEST AFRICAN COTTON FARMING SYSTEM & INFRASTRUCTURE ANALYSIS

Production structure

The majority of cotton grown in West Africa is cultivated by smallholders. However, the definition of ‘smallholding’ is relative and relatively flexible: as an indicator, cotton farms in the countries visited tend to be between 1.5 and 5 ha on average. These are family smallholdings, with the family as the basic economic unit. While there are some steps toward mechanisation on larger landholdings, these remain limited, and the family provides labour throughout the cultivation cycle – particularly during harvesting, which is entirely manual in all the countries visited.

All three of these West-African economies are small and heavily dependent on a few commodities, of which the most important is cotton: cotton exports constitute more than one-third of Benin’s total exports and nearly one-third of Burkina Faso’s. Moreover, far more families’ livelihoods are dependent on cotton cultivation than the numbers of producers directly engaged in cultivation. However, most cotton farmers in West Africa are not ‘pure’ cotton farmers but only cultivate cotton in addition to food crops. In Mali, for instance, cotton production is handled by c178,000 [CMDT figure - ICAC 2004 cites 300,000 cotton farmers in Mali] small family farms, av. 8/9 ha, with 3 ha for cotton and rest sown with coarse grains (maize, millet, sorghum, and rain-fed rice) and diversification crops (cowpea, groundnuts, soy, sesame). Aside from conflict of economic priority – whereby cotton cultivation may be given priority as a ‘cash crop’ over cultivation of food crops, food security is also at risk through conflicts of assignment of labour between cotton and food crops such as sorghum or yam. It is also important to note however, that with access to credit/inputs being mostly reliant on growing cotton, food security is also supported by growing cotton.

For most cotton farmers, the net income from seed cotton (about 120,000 CFA francs) is the only money they receive during the entire season, for a family of 6 to 8 people. Current farmgate prices per kg of ‘first quality’ seed cotton for 2007/8 are: CFA 145 – Burkina Faso; CFA 160 – Mali; CFA 170 – Benin. These producer prices for the 2007/08 campaign reflect another decline while increases in input prices continue year-on-year. While the lower producer price is still too high for gins to operate profitably based on the current world price of cotton, the farmers’ margins are squeezed further. Throughout the region seed, fertilizers and pesticides were commonly delivered late to farmers. Acreage can only be expected to decline again in this environment. The outlook for yields is also not great due to the likelihood of late planting, late arrival of inputs, pest problems and diversion of fertilizers to cereal crop production.

External forces continue to play an important and negative role for the cotton sector in West Africa. Complaints of western subsidies have been to some degree overshadowed by the Euro-Dollar exchange rate parity which prevents West African countries from benefiting from any gains in world prices. While cotton is traded in US\$, fertilizer and pesticide inputs trade in Euros. Producer prices are set early in the year in CFA which is pegged to the Euro. The current low value of the dollar against

the Euro has added to deficits and financing problems. Deficits held by the cotton companies in each country total tens of millions of Euros. This creates a cycle of financial insecurity with respect to the financing of inputs and collection of cotton – in an environment of deficits, obtaining these credits is becoming increasingly difficult.

The absence of other technological developments and extension at the farm level combined with poor soil and seed quality lead to declining yields. The positive link between cotton production, cereal production and food security is also in jeopardy. The fertilisers used to produce cotton provide a secondary benefit to grains planted after cotton, allowing for higher cereal yields in cotton producing areas. USAID (2007) suggest that farmers are now able to afford less fertiliser, and the declining returns from cotton are forcing them to market their cereals such as corn, sorghum and millet: the result is increased poverty and malnutrition.

In general, state-based extension services are in decline or non-existent. In Mali, extension services are provided by the cotton company (CMDT), who state that there is 1 agent for every 400 farmers. It should be noted that CMDT also employs the input providers, so there exists a potential conflict of interest between providing sound technical advice, and selling products. Extension services are also provided by the 3 cotton companies in Burkina Faso, with SOFITEX being delegated the role as the main point of contact between extension and research. SOFITEX advised that they employ 100 extension agents. UNPCB (ie the producer's organisation) also plays an active role in extension, employing 1 agent for every 100 producers. In contrast, extension in Benin is provided by the Association Interprofessionnelle du Coton (AIC, which consists of representatives from the private sector supply chain actors - producers, input providers and ginners). Technical support is provided by the Ministry of Agriculture .

Value chain governance – pen pictures of the key actors in the cotton value chain

The competitive conditions and institutional arrangements in Mali, Burkina Faso and Benin differ markedly. However, in contrast to other BCI focus regions – such as South Asia - the vestiges of the West African parastatal model entail a significant degree of 'vertical integration' and hence there are generally few middlemen between producers and ginners.

Mali

The current Malian cotton model exemplifies the common vertical support system for smallholder 'outgrower' agriculture, in which a single entity – the Compagnie Malienne pour le Développement du Textile (CMDT) – supplies inputs (usually on credit) in return for guaranteed marketing of the output, from which input costs can be deducted. A monopolist, the CMDT guarantees the purchase of farmers' seed cotton at pan-territorial prices (announced before planting) and assures credit reimbursement. It also controls collection, ginning, baling, and export. CMDT – which used to provide extensive social and economic services to cotton-producing areas – has scaled back its activities to only those directly associated to cotton in recent years. CMDT remains vertically integrated, however and provides farmers 'seed-to-market' services.

The Government of Mali now maintains approximately 75% ownership of CMDT and DAGRIS retains the other 25%, the State's share having recently increased from 60%. Privatisation is in the planning process and in principle is due end-2008: Chinese interests are widely seen as a likely source of external capital.

Farmers are currently organized in village producer associations which form a national producers' union (SYCOV). Family farms are organised into 701 village associations (AVs), 141 cotton farmers' associations (APCs), and 5494 cotton farmers' cooperatives (CPCs) – these organisations are in the process of being federated into larger unions at regional and provincial levels. There is a good link between producers and CMDT on production and logistical issues; however the farmers remain isolated from key financial management aspects of the cotton sector.

CMDT develops and distributes cottonseed for planting, finances, procures and distributes fertilizer and pesticide inputs, coordinates the collection and purchase of seed cotton in villages, and gins and exports the cotton lint. (NB while CMDT is responsible for provision of cotton inputs; ('non-strategic') cereal inputs and herbicides are now distributed by the GSCVM framework of cotton and food producers' organisations.) Transportation is semi-privatized. CMDT has 17 cotton gins in Mali, some of which may not operate at full capacity due to maintenance problems.

CMDT negotiates the financing of input procurement and cotton purchases with a pool of banks. CMDT has service contracts with BNDA (national agricultural bank) and Kafo Jiginew (micro-finance institution) to finance farmers' needs in terms of production (inputs and agricultural equipment), in joint investments (construction of literacy training centres, stores and health centres) and in consumer goods/other needs. They provide these short term or medium term loans according to their nature and such loans are repaid by deductions taken at source from cotton grain payments to village-level producer organisations.

The Institute of Rural Economics (IER) located in the Ministry of Rural Development coordinates with CMDT on cotton research issues. Current priorities are seed variety research, pest analysis and work on soil fertility to address the problem of declining yields. Since there is a long history of agriculture and social extension services tied to cotton and provided by CMDT, there is a positive correlation between production of cotton and other cereals in all of the cotton growing areas. Since cotton producers have access to fertilizer credits unavailable to subsistence farmers, cotton production has had a positive effect on food security in Mali. Likewise, few farmers rely exclusively on cotton production and most farmers will produce a variety of crops to manage risk and provide for cash revenue as well as food needs. About half of the cotton producers grow less than a ton of cotton.

Malian cotton is handpicked and has a relatively good reputation for quality, albeit with contamination a continuing challenge. Due to the way cotton is collected and classified in the villages, however, it is often over-classed to avoid conflict, meaning that ginner often pay for premium classed cotton which cannot be sold at a premium on the world market. One of the goals of privatization is to establish a national 'Mali label' to help promote Malian cotton.

Burkina Faso

Privatization of the cotton sector in Burkina Faso began in 1998 when the Government sold some of its shares to the producers' organization (UNPCB). The subsequent partial privatization of the cotton sector in Burkina Faso has created three regional cotton companies. SOFITEX, the core of the former parastatal, owns 13 gins making up approximately 80% of the ginning capacity. The Government of Burkina Faso (GOBF) owns 35% of SOFITEX, DAGRIS owns 34% and the producers own 30%. Faso Coton was formed in 2004 and operates in the central region with its single gin located in Ouagadougou. Reinhart of Switzerland and the IPS Group of Cote d'Ivoire are the two largest shareholders. SOCOMA, which operates 3 gins in the eastern region, is the second private company created in 2004. DAGRIS is the majority shareholder. In addition to private shareholders, the producers own relatively smaller shares of these two companies (20% of SOCOMA and 10% of Faso Coton).

As in Mali, the cotton companies currently provide vertically integrated 'seed-to-market' services for cotton farmers. For example, within its predetermined region, each cotton company will finance inputs and then deduct the cost from the cotton price when they collect the cotton from the farmers. The collection of cotton is coordinated with producer groups. Cotton growers are organized into approximately 9,000 producer groups. While these groups may have direct contact with the cotton companies, they also elect coordination units at the village, departmental and provincial level. Together, these groups form the National Cotton Producers' Union of Burkina Faso (UNPCB). Cottonseed for planting is traditionally provided by SOFITEX and the other cotton companies which work with the INERA cotton programme for the development of the basic seed which farmers multiply. The National Institute for Environmental and Agricultural Research (INERA) plays an essential role for research and extension work in the cotton sector. INERA receives funding from the cotton companies and conducts research according to priorities set by farmers and the cotton companies. Seed quality, soil fertility, biotechnology and analyzing the competitiveness of cotton are the current research priorities of INERA.

Cotton is the only sector in which producers receive credit for the provision of agricultural inputs including seed, fertilizer and pesticides. Loans are granted collectively to producer groups at the village level according to the size of members' plots and estimated input needs. After the cotton is harvested and assessed for quality in the villages the amount of the input loan is deducted from the cotton proceeds. Cotton companies use their own vehicles in a combination with private contracted transporters. The Interprofessional Cotton Association of Burkina (AICB), which includes representatives of government, producers, cotton companies, financial advisors and INERA, determines key aspects of national cotton policy. For example, the AICB will determine the pricing of inputs and the preliminary cotton price depending on market conditions, place the call forward for seed and fertilizer inputs, and set strategies related to research and development. A pool of banks provides critical crop and input financing for the sector: the Burkina Agricultural and Commercial Bank (BACB, formerly CNAC), RCPB – a network of micro-lenders – and other micro-finance institutions (eg UCEC-Z and COOPECs).

The cotton sector in Burkina Faso has faced financial difficulties tied to the simultaneous strengthening of the CFA to the US\$, increase in fertilizer prices and decline of world cotton prices. SOFITEX registered losses of nearly \$50 million in 2005 and the regional economic journal *Jeune Afrique* estimated losses of \$52 million for 2006. Domestic prices are set early in the growing season by the AICB. 2006/07 1st Grade seed cotton prices were set at 165 CFA/kg compared to 175 CFA/kg in 2005/06: the 2007/08 price was set dramatically lower at 145 CFA/kg. At current exchange rates this is approximately 30 cents/kg seed cotton. This reduction should reduce deficits at the gin level; however farmers' margins will be lower due to increasing input costs. For example, the price of NPK and urea respectively increased from 12,400 to 15,485 and 16,720 CFA respectively. The price of insecticide increased from 4,040 to 4,362 CFA. Estimates are that this will cut the producer margin in half to about 60 USD a hectare.

Benin

Benin was the first CFA zone country to pursue privatization of its cotton sector. Before 2000, SONAPRA, a state-owned company, had a monopoly on all cotton related activities.

Cotton provides the main source of rural cash income for approximately 300,000 producers in Benin. Estimates are that the cotton sector directly and indirectly supports the livelihoods of 2.5-3 million people. Average farm size is about 5 hectares of which about 2 ha on average are planted with cotton. At the local level, farmers are organized into Village Groups (GV). In addition to the national FUPRO producer organisation, the village producer groups have organized additional producer organizations which have representation at the Association Interprofessionnelle du Coton - AIC (CNPC/ANPC).

At this stage, reforms led to the creation of three key structures – these differ in form and function from their equivalents in Mali and Burkina Faso. The *Centrale de Sécurisation des Paiements et de Recouvrement* (CSPR) is the main financier/financial intermediary of the sector – CSPR is responsible for managing and administering input pre-finance (interest rates between 8-12%) as well as making payments to producers. the *Coopérative d'Approvisionnement et de Gestion des Intrants Agricoles* (CAGIA) is a producer-based organisation which tenders for input suppliers based on requirements submitted by village producer groups. Finally, the *Association Interprofessionnelle du Coton* (AIC) brings together all the private-sector actors in the sector – producers, input providers and ginners – to coordinate decisions and promote development in the cotton sector. This entails planning 'campaigns' and overseeing research, extension, quality, price determination, as well as acting as a counterpart to the government. The AIC helps determine the amount of cotton grown, the type and quantity of fertilizer used and the distribution of the seed cotton to the various gins for ginning. Seed cotton prices are normally negotiated between producers and ginners with AIC acting as a facilitator. However AIC is currently 'on ice' as the Government rescinded the Memorandum of Understanding which established the AIC, and has not yet replaced/renewed this mandate.

The economy of the cotton cycle can be summarized thus: at the beginning of the season, producers at village-level receive inputs on credit (via the CSPR structure) having stated their input requirements, again at village-level; input providers are selected by CAGIA, but inputs are actually distributed by IDI – the input importers/distributors; the price for the following season's cotton is fixed – in theory - in advance of planting by negotiation between actors in the AIC and the government; quotas are attributed to ginners by the same means; upon harvesting, producers bring together their crop to be weighed collectively at village-level; the cotton is weighed, loaded and transported to ginneries; producers are then paid by CSPR – in theory- shortly after cotton is delivered to gins; input credit is then withheld from the payment made by CSPR to village-level producer organisations, with the village organisation taking collective responsibility for input debt repayment (caution solidaire). It should be noted that ginners finance input purchase on credit and make repayment to input importers/distributors (IDI) on behalf of producers. For ginners to be eligible to receive seed cotton, they must pay 40% of the price up front and the remaining 60% once the cotton is contracted for export. The Ministry of Agriculture blocked the bidding process for inputs for the 2007/08 season two times after they were released by the Commission of Cotton Inputs as part of the AIC: the effect was to give more control to the state-controlled company SONAPRA for the import of inputs.

SONAPRA owns 10 gins with a capacity of approximately 300,000 MT. Since ginning was privatized, six private sector companies have constructed 8 gins with a capacity of approximately 275,000 MT. As production has been on the decline for the past two years, there is significant overcapacity in the ginning sector. Privatisation of the existing SONAPRA gins was supposed to continue after the 2006/07 campaign with the state, workers and farmers owning 45 percent of the gins and the private sector owning 55 percent – this process appears to have stalled.

Cotton research is coordinated by the Centre for Agricultural Research for Cotton and Fibres (CRA-CF) which is formally part of INRAB. In terms of extension, unlike Mali and Burkina, the SONAPRA cotton company is not involved in providing advisory services to farmers: extension is now financed by AIC, with technical input from extension service of Ministry of Agriculture and 12 regional CERPA (*Centres régionaux pour la promotion agricole*).

STAKEHOLDER VIEWS AND CONTEXT, BY PRINCIPLE

Draft Global Environmental Principles

Following is an overview of the major issues identified for each of the environmental principles, as well as some of the tools being promoted to address those issues. Further details may be found in the consultation notes in the Annex.

Better Cotton is produced by farmers who care for the health of the soil

- Soils in west Africa are characterised by low levels of organic matter, around 0.5 %, ie well below the minimum optimum level of 1%. Soils also tend to be acidic.
- While it appears that cotton is grown as part of a 2-3 year rotation with cereals and ground nuts (rather than continuously), challenges to address for managing soil health include:
 - Better integration of animals in the cropping system (as a source of manure)
 - Sourcing appropriate raw materials for compost (especially in sufficient quantity), and the costs involved in transporting organic matter; some work is being done to encourage on-farm compost production
 - Balancing fodder production for livestock and green manure production for soil health
 - Finding the right balance between organic matter and synthetic (mineral) fertiliser, and of finding appropriate 'formulas' based on the soil type being managed
- Farms are all mixed crops/vegetables
- Waste from gin (OM) sold back to farmer by cotton company
- FAO in Burkina Faso is focussing on using multi-functional cover crops (eg. mucuna) to provide N, erosion control, stock feed, weed control and organic matter

Better Cotton is produced by farmers who use pesticides safely and responsibly

- Farmers will always purchase the cheapest pesticide on the market – official or black.
- Access to pesticides for farmers (of all produce) is mostly restricted to cotton farmers. This creates potential for an informal market between cotton farmers, and other farmers for pesticides (and presumably other inputs) which has health and safety repercussions in the wider agricultural system, stemming from cotton farming.
- 'Better' pesticides are more expensive
- Apart from cost (see below), the issues to be addressed include:
 - Poor training and education about the health impacts of pesticides and the appropriate application methods, protective equipment, etc.
 - Prevalence of broad-spectrum insecticides that eliminate beneficial insect populations
 - Promotion of 'Lutte Étagée Ciblée' (LEC), that focuses on reduced application rates; while this reduces cost it increases the risk of resistance developing to the insecticide
 - Lack of knowledge on the part of farmers as to the relationship between the pesticide being applied and the target pests (further, illegally imported pesticides may lack a label, making any rationale decision about pesticide choice impossible)
- Application may still be based on calendar dates, rather than scouting/economic thresholds being reached; FAO is working on encouraging weekly inspections being conducted (it was claimed (in Mali) that producers do not have time to carry out crop inspections for pests)
- While the importance of beneficial insects is recognised, developing a useable tool based on their presence is problematic
- FAO encourages the use of manual weeding rather than use of herbicides
- Research into natural alternatives (eg. neem, chilli) is continuing, and new research into other natural control options (viruses, fungi) is about to commence

Better Cotton is produced by farmers who maintain the quality and availability of water

- Not raised in consultations as an issue due to rain-fed production system; concern about contamination of water sources through run-off and poor application equipment cleaning practices was noted during the workshop

Better Cotton is produced by farmers who preserve natural habitats

- While each country has different laws, and may not have an issue with nomadism, those that do are still grappling with how best to deal with the tension between the competing interests of herders and farmers (farmers often lose crops to the grazing animals). While laws exist, implementation is patchy or non-existent.
- Extensive planting of imported trees (eucalyptus, from Australia) has been undertaken; they are

- the main species used for reforestation in the country.
- used for firewood.
- also used in construction (houses).
- (the leaves) used in a mixture to treat malaria

Better Cotton is produced by farmers who care for & preserve the quality of the fibre

- This principle was considered more relevant for economic sustainability than environmental.
- While a number of good practices exist (picking into 2 different bags, protecting the lint through proper storage and transport etc), there are still challenges for harvest/post harvest management including:
 - Lack of direct or specific financial incentive to deliver better quality fibre (although some countries are working on better rewarding producers for delivering higher grades)
 - Small landholdings leading to reduced uniformity in the cotton bale of the various characteristics important to the spinner
 - Contamination, especially polypropylene, cotton cloth and hair
- West Africa as a region also suffers from a lack of an agreed regional grading system (so that the same quality cotton will have a different name in each country). The system also lacks sophistication having a maximum of 3 grades (and therefore prices), rather than the precise system that is used in developed countries, whereby for each of the important quality characteristics (eg. grade, colour, length, trash content, micronaire, stickiness), a series of premiums and discounts are noted for a range of possible quality parameters for each of these characteristics.
- Gins are generally very old and slow, and may not be as efficient as they could be; they may not 'protect' the quality of the lint as well as could be done either

Draft Global Social Principles

Better Cotton Initiative will promote Decent Work

- The 'Decent Work' Principle was not always well received or well understood by consultees, particularly producers (cf AProCA report): it was commonly reduced by interlocutors to the particular, and sensitive, issue of child labour. Specifically, in discussion on 'Decent Work', AProCA members' view was that BCI should 'better understand the socio-cultural and economic conditions under which children in rural areas contribute to cotton cultivation on family farms'.
- For ILO, Decent Work in the rural sector in West Africa should be paid work, performed voluntarily, respecting core labour standards, undertaken in a healthy environment: for ILO, this framework seldom characterises work in cotton sector.
- More generally, there is a gulf between stakeholders on the issue of child labour, ranging from ILO (who perceive most forms of children's participation in cotton cultivation to constitute 'child labour', and potentially 'worst forms of child labour', due to the dangers) through donors and civil society (who are pragmatic about the feasibility of achieving any change in the short to medium term), to producers (who in general do not perceive it to be a problem and rather to be a misunderstanding of the socio-cultural context of family farming in the region).
- It is important to dissociate different phenomena on a scale of detriment to children's well-being. This ranges from 'family labour' including children in which children's participation is as part of a family unit. This form of activity may *not* be problematic provided that activity does not imperil either the child's physical or mental well-being or education, and provided that the young people involved are above a certain age (eg 12 for 'light work'). On the other end of the scale, ILO points to a distinct and documented phenomenon related to intermediated child labour migration (trafficking) which is under no circumstances acceptable: trafficking is particularly an issue across Burkina Faso/Benin border. IPEC Burkina and Benin in particular pointed to the intersection between cotton cultivation and the specific issue of child trafficking: this is by no means the majority circumstance of children's participation in cotton growing, but is a distinct and extremely problematic practice. It links in to cultural traditions of sending children away – to members of the family, to religious schools, or to earn their keep – but a new development is the advent of 'child labour intermediaries' who provide children to work on farms. This is exacerbated by the fact that children often actively wish to leave their villages – girls in order to prepare their dowry, boys to prove themselves in the world, and to earn enough to buy a symbol of their wealth, such as a bicycle.
- However it was appreciated that the broader concept of 'Decent Work' enables BCI to address the fundamental socio-economic circumstances which give rise to poor or abusive labour practices. It also recognises that poverty reduction in cotton cultivation will be achieved by farmers and their communities working themselves out of poverty.
- It should be recognised, though, that the cost-competitiveness of West Africa is commonly attributed to the use of the whole family working on the fields without receiving any immediate payment. The vast majority of labour in the sector is provided by (extended) family; some larger farms recruit external labour inputs particularly during peak demand, such as planting and harvesting.

- As noted in last year's scoping report, there is a lack of reliable data on the nature of labour used in cotton cultivation – family, external/hired etc. The IPEC Burkina study into child labour in one key cotton region marks the beginning of more concerted work on this topic.
- The following specific issues within a definition of 'Decent Work' were highlighted:
 - Health & safety, especially with respect to pesticide use: lack of PPE/training, incorrect dosage, particularly hazardous for women (reproductive health, and risk of contamination of food, prepared exclusively by women who likely have come into contact with potentially hazardous chemical inputs) and children (one constituent of 'hazardous work'). Moreover, cotton farms do not generally have sanitary facilities, entailing that workers cannot rid themselves of pesticide residues. It was also commented that an informal market exists for pesticides, where cotton farmers will sell to other producers (often food producers) which has health and safety implications beyond cotton into the wider agricultural system.
 - Child labour: ILO-IPEC in Mali, Burkina and Benin suggest that children are involved in all parts of the cultivation cycle: preparation, input transport, ploughing, planting, hoeing, pesticide application, field upkeep, harvesting, stocking and weighing.
 - Pay: ILO suggests that most cotton work is at piece rates per field – eg CFA 500 per field. The 'producer' – namely the recipient of the money paid for the cotton grown – is almost always the male head of the household and any payments made to family members who work on the family smallholding are at his discretion: this entails that family workers may work without direct remuneration. This is exacerbated by the socio-cultural position of women in some cotton-growing communities.
- The following challenges in tackling the issue of 'Decent Work' were noted:
 - Rural poverty and material necessity
 - Lack of information and opportunity – access to schooling or training leading to alternative income generation opportunities
 - Lack of 'safety culture' and hence even if equipment is made available unlikely to be used as uncomfortable, lack of training on safe practices, impeded by high levels of illiteracy. (Through ILO-IPEC points out that cotton companies such as SOFITEX have their own Health and Safety Committees which should, in principle, advise farmers on safe practices.)
 - Social and cultural forces militating against change – for example, IPEC Burkina noted that many children actively *want* to travel to work on cotton fields – placing themselves in danger of significant exploitation – in order to gain prestige, or financial gain

Better Cotton Initiative will facilitate producer organisation

The region is characterised by very high degree of producer organisation; commonly the cotton sector is the most organised part of the economy. This translates to a multiplicity of producer organisations from local to regional levels. However, the level to which local farmers are 'represented' through these structures is not clear. Producer Organisations are also closely involved as both shareholders and stakeholders in the organisation of the 'cotton infrastructure'. Hence, the *existence* per se of these producer organisations is not so much the issue as their *capacity* and therefore effectiveness; particularly where they have assumed functions such as input distribution,(Mali).

Several organisations and agencies are working on capacity-building of cotton producer organisations and at different levels: for instance, Oxfam and SNV are working with AProCA; SNV, AFD and others are working with national and regional level organisations.

Certain stakeholders suggested that there are problems with the role of village-level producer organisations who may assume more of a role of 'middle-man', 'buying' cotton from producers and on-selling, rather than effectively representing interests of producers – this issue was particularly highlighted in Benin. The issue of 'representativeness' was brought up by other interlocutors: for instance, the IUF regional coordinator questioned the 'representativeness' of producer organisations and their effectiveness in representing the interests of small producers, the majority of whom are illiterate. It is suggested that this may be a difficult area to broach, given that the regional umbrella structure of producer organisations – AProCA – will be BCI's direct partner.

The IUF regional coordinator for West Africa also confirmed that producer organisations are not 'trade unions' in the accepted sense, but are the appropriate representative organisations of small cotton farmers.

For AProCA members, the key challenges for producer organisation are:

- Autonomy of Producer Orgs (POs) – eg self-finance

- Establishing structures to enable dialogue to connect POs to broader socio-economic context: eg PO negotiations with other structures (cotton companies, government)
- Information flow from one level of PO to another
- PO dialogue with 'cotton players' on quality and price of inputs; purchase price of cotton; negotiation on terms of input credit; negotiation on other terms eg removal of VAT on inputs

According to a website reporting on the OBEPAB project (<http://www.biocoton.com/default.asp?keuze=26&lang=1>), "Cotton production in West Africa is often regarded as a men's affair. However, women are very much involved in the time-consuming operations of weeding and harvesting – on family fields. Women do not often have their own cotton fields because they have little access to inputs for cotton production. The cotton inputs are distributed through village producer organisations. Women in Benin are hardly represented in the boards of these producers' organisations, and they may not even be entitled to become a member – for socio-cultural reasons.

Organic cotton production is very interesting to women, because they can now use inputs which are locally-available (organic manure, botanical insecticides) at little or no cost. They can thus grow the cash crop cotton without being dependent on the male-dominated village producer organisations. Also, pregnant and nursing women are able to produce cotton organically without having to fear for the health hazards, to themselves and to their child, of the use of synthetic pesticides."

Draft Global Economic Principle

Better Cotton Initiative will facilitate access to equitable finance

In general, the economic principle was considered the weaker of the Global Principles. The economic principle was criticized not so much for what it says – all stakeholders agreed that credit is a key lever on farmer livelihoods – but for what it does not say. Several interlocutors suggested that the key economic definition of 'Better Cotton' is 'cotton which sells well'. The current economic principle, which expressly avoids reference to the market, fails to capture this point.

Stakeholders reiterated that cotton is grown primarily for economic reasons (in order to secure access to both inputs on credit, and, vitally, to a market) that is, as a 'cash crop' in the absence of many alternatives. However, profit to the farmer is not guaranteed, particularly in the context of relatively low international prices (e.g. between 145 and 170 FCFA = 0.22 and 0.26 Euro cents per kilo). In this context, revenues derived from market prices are the key 'economic' factor; for this reason, much discussion was entertained over the BCI rationale for not including premium payment in the 'BCI model'. It should be noted that the response – that BCI seeks to reduce production costs and increase yields through promoting better farming practices, thereby increasing profit margins – was not always perceived to be compelling, particularly in the context of West African cultivation where arguably greater input use (fertiliser) is required, and the promotion of Decent Work would almost certainly increase labour costs. This poses a significant challenge to BCI work on the economic sustainability of cotton growing in West Africa and deserves concerted reflection.

Aside from the key issue of price, there are however several other important economic factors: timeliness of payments; interest charge on input related credit; efficient distribution of inputs; access to credit for investments other than inputs and equipment i.e. long term. Optimum prices are frequently not achieved due to quality issues i.e. risk discount in relation to contamination likelihood; lack of good storage / transport facilities. It should also be noted that the principle on Fibre Quality was commonly seen as an 'economic' principle, as quality dictates the price paid to farmers by cotton companies.

Relating to the specific issue of input pre-finance, in Mali, Burkina and Benin, the pre-finance of inputs is secured by means of credits from the cotton purchaser, the cost of which is deducted from seed cotton sales. Accordingly, this finance is then provided by the state structure responsible for governing the supply chain or, where this chain has been deregulated, by the private sector successor – ie cotton companies/ginners. In principle, the West African vertically-integrated model offers one of the very few available for providing sustainable input credits to smallholders. It addresses the issues of aggregation and organisation, thereby helping smallholders gain access to international markets. Nonetheless, the model depends critically on some form of farmer organisation, equal access to credit for men and women, competition among buyers, or countervailing political power to ensure that farmers get fair treatment from large exporters and input providers/importers. These are not currently all evident in West African cotton. Moreover, it should be noted that cotton farmers in francophone West Africa frequently grow cotton precisely in order to be able to access fertiliser which is otherwise not available to farmers.

For AProCA, the key challenges relating to credit relate to the indebtedness of producers due to input pre-finance: for example BCI could seek to work to reduce interest rates on input loans. It should be noted that in each country visited, financing is an established part of the 'cotton infrastructure', and state/privatized cotton companies commonly have agreements with agricultural banks/MFIs to undertake these transactions on their behalf (namely, underwriting the credit extended in terms of

input provision to village-level producer groups, and then making payments to these groups, minus the value of the inputs, which are repaid to the cotton companies and thence to input providers). In Mali and Burkina, the incursion of donor-backed micro-finance institutions – such as Kafo Jiginew in Mali and RCPB in Burkina – has seen the rate of interest applicable to input credit lowered.

It should also be noted that deficits held by the cotton companies in each country total tens of millions of Euros. This creates a cycle of financial insecurity with respect to the financing of inputs and collection of cotton – in an environment of deficits, obtaining these credits is becoming increasingly difficult.

However, a picture emerges from discussions with stakeholders which would suggest that ‘access to finance’ *per se* fails to capture the nature of the specific problems associated with the financial aspects of cotton cultivation. The ‘inequitable’ factors in the current situation are not so much interest rates for input credit (although these vary – see AProCA report), but the cost of inputs themselves: this is to some degree a function of the failure of effective competition in tendering for input suppliers, as well as the reflection of the difficulties of providing inputs to remote farmers in land-locked countries. Moreover, the barriers to credit, as highlighted by some stakeholders, do not concern input credit, so much as access to credit for investment (working capital) and for ‘getting by’ (the *crédit de soudure* which is vital in case of needs such as family illness). These other forms of credit – commonly not included in the financing offered by the ‘cotton infrastructure’ – often attract a much higher rate of interest, if available at all. A further challenge, highlighted by financial institutions working in the sector, is that working exclusively with cotton farmers increases the risk of the lender’s portfolio, and thereby imperils the sustainability of lending. This situation is not aided by the currently difficult financial situation of cotton companies – the partner of banks in input pre-finance – who have sometimes (eg SOFITEX) not been able to honour their commitments to partner banks.

In Benin, where financing is undertaken differently (see ‘pen-picture’ above), it was suggested (by SNV) that the key problem is not necessarily ‘access to credit’, but the indebtedness of village-level producer organisations to IDI (the input importers/distributors) as the system of repayment favours input distributors. In principle IDI should receive the monies due to them by 15 December each year from funds made available by ginners (equivalent to 40% of total input value). This payment takes place significantly before any payment is made to farmers. This problem is exacerbated by (albeit well-intentioned) implications of system of ‘collective responsibility’ for debts at village-level: poor management, stock ‘manipulation’ and theft/resale of inputs entail greater debts which village-level organisations struggle to repay. SNV suggests that it would be fruitful to look at the potential to warrant repayment against sales, (as RCPB in Burkina has done in the past few years).

VIII. Potential implementation strategies

Identify and collaborate with existing work

The majority of stakeholders proposed that the most meaningful BCI response would be to focus on the downward pressures on farmers by supporting ongoing work undertaken by specialist agencies; an overview of ongoing or proposed work is provided in the table below.

There is ample potential for co-programming on specific impacts: for instance, ILO-IPEC ‘time-bound programmes’ aim both to reduce demand for child labour – through work on regulation, awareness-raising and incorporating child rights into poverty reduction planning – as well as supply of child labour – through work with schools/teachers, Government, as well as working with families of most vulnerable children to provide alternatives to children working.

Advisory services to farmers (including both environmental and social components)

The hypothetical model emanating from most discussion with stakeholders – given BCI’s avowed desire to work ‘at the farm level’ – would involve supporting farmers to adopt ecologically and socially sounder practices in order to optimise yields and therefore create greater value for the farming community. As such, this may take the form of one or another variant of participatory farmer education, albeit with an increased social component. In the absence of a direct economic incentive, and in light of the potential shortfalls of this model highlighted elsewhere (need for increased fertiliser use, increased labour cost implications of ‘Decent Work’), it is suggested that the development of such a model requires significant further thought. It is also noted elsewhere that other organisations’ experience of capacity- and skills development at farm level have suggested that this method has substantial resource implications (the AFD project working with the UNPCB national farmer organisation to provide advisory services to farmers in Burkina Faso alone is budgeted at €11m over five years).

Other organisations’ experiences of working in the West African cotton sector indicated that approaches based on ‘disseminating good practice’ have not proven effective, for several reasons. Firstly, the need for specific and tailored advice to farmers, rather than generic best practice; the failure of uptake through existing channels of dissemination; the absence of

sufficient demonstration effect and credibility of disseminators; the lack of capacity of individual farmers to implement change (particularly given that around two-thirds of farmers in the region are illiterate). Many organisations also suggested that the pressure of short-term financial needs militates against the ability to adopt more sustainable farming practices that often have a payback that is both ill-defined and takes longer to realise. This is exacerbated by the fact that more ecologically sound farming practices may entail greater labour intensity, which is potentially costly, and may fall disproportionately on one group (eg women).

One of the capacity weaknesses of producers highlighted by several stakeholders, including AProCA, is the lack of business skills of farmers. For example, there is a need to develop business skills so that farmers – and their local organisations – can: better develop a business plan that would allow them to understand how much they could reasonably borrow and repay; keep appropriate records; improve their ability to market their crops; better understand the costs involved in their operation. This is potentially an area where BCI can bring unique value to existing work in the sector.

Finance

As highlighted above, there are established and functioning systems of input pre-finance (and other forms of agricultural lending) available to cotton farmers through a network of rural banks and micro-lending institutions. These do not yet cover the entirety of cotton-growing regions and this development is an objective keenly promoted by AProCA.

Potential means to address producer's financing needs include:

- Multiplying financing options for farmers – through supporting and developing existing micro-lending – particularly with regard to non-cotton-specific loans (see above)
- Influencing those who lend to, and influence the decision-making of, farmers – eg cotton companies, input distributors/retailers
- Potentially establishing crop insurance programs to reduce the farmers' risk during the transition to Better Cotton

Implementation challenges

- Does 'Better Cotton' for producers and the environment mean growing less cotton? i.e. reduced dependency on high risk cash crop which may fail to bring economic rewards grown in the absence of any other cash crops. Or does better cotton for producers, mean selling cotton seed for bio-fuels?

Activities

Table: Overview synthesis of ongoing/imminent work in sector – donors, intergovernmental agencies, NGOs

Organisation	Mali	Burkina Faso	Benin
FAO	GIPD (IPPM) and GAP Program	GIPD (IPPM) and GAP Program	
World Bank			
EU		<i>Coordinate donors in cotton sector (with DANIDA)</i>	<i>Coordinate donors in cotton sector (with GTZ)</i>
USAID	WACIP (see below)	WACIP (see below)	WACIP (see below)
IFDC (International Center for Soil Fertility & Agricultural Development)	WACIP \$22 million US over 4 years, focussing on the C4 (Benin, BF, Chad and Mali) Goals: 1) Increase productivity of cotton, the quality of cotton lint, and farmers' income from cotton and other crops in the cotton rotation; 2) Create momentum for longer term policy and institutional changes that will encourage investment and value-addition; and 3) Improve value addition by exploiting niche processing and marketing opportunities for cotton-based products. WACIP WACIP		
AFD	Producer organisation; technical assistance/capacity building <i>Coordinate donors in Mali</i>	Partnership with UNPCB on farmer advisory services (€11m)	?
GTZ	?	CMiA	CMiA <i>Coordinate donors in cotton sector (with EU)</i>
SNV / Dutch Gov	Producer organisation; technical assistance/capacity building (close cooperation with AProCA)	Producer organisation; technical assistance/capacity building (close cooperation with AProCA)	Producer organisation; technical assistance/capacity building (close cooperation with AProCA)
Oxfam Oxfam Regional Office has received funding from Comic Relief for work with AProCA and cotton in West Africa.	Producer organisation (Oxfam US)	?	-
Helvetas / Swiss Gov	Organic-Fairtrade	Organic-Fairtrade	?
ILO	IPEC – 'time-bound programme' on child labour; LUTRENA project on child trafficking	IPEC – 'time-bound programme' on child labour; LUTRENA project on child trafficking; commissioning research on child labour in NE cotton region	IPEC – 'time-bound programme' on child labour; LUTRENA project on child trafficking
FLO	Fairtrade cotton certification – working with Helvetas / SNV	Fairtrade cotton certification – working with Helvetas / SNV	-
CFC	(AProCA bid)	(AProCA bid)	(AProCA bid)
Fondation FARM	(Micro-finance for cotton farmers)	'Cotton University' (Bobo)	(Micro-finance for cotton farmers)
CIRAD			

IX. WEST AFRICAN ORGANISATIONS – RESULTS OF EACH CONSULTATION

MALI

Organisation [and structure] Individual/s consulted and contact details	Focus of work / experience in relevant areas	Key challenges identified & views on BCI draft Global Principles	Potential partner (Working Group member, implementation partner)?
<p>CMDT – Malian state cotton company</p> <p>Mamadou TOURE, Conseiller Technique du PDG CMDT BP 487 Bamako mtoure@cmdt.ml +223 221 9557</p>	<ul style="list-style-type: none"> Input selection, order & provision (for cotton) Input credit/finance Extension/training Collection, transport, classification & ginning (17 gins) Sales & marketing 	<ul style="list-style-type: none"> Cotton is very sensitive sector of Malian economy – particularly since devaluation of FCFA in 1994: the sector has been in profound crisis since 1999 due mainly to world prices, aggravated by the consequences of the cotton farmers' strike in 2000/2001 Cotton production is handled by c178,000 small family farms, av. 8/9 ha, with 3 ha for cotton and rest sown with coarse grains (maize, millet, sorghum, and rain-fed rice) and diversification crops (cowpea, groundnuts, soy, sesame) Family farms organised in Village Associations (701 AV's), Cotton Farmers' Associations (141 APC's), or Cotton Farmers' Cooperatives (5494 CPC's.) Currently 6336 Farmers' Organizations (OPs) total in CMDT area; these OPs are in the process of being federated into larger Unions at different levels. Inputs: CMDT is responsible for provision of cotton inputs; ('non-strategic') cereal inputs and herbicides are now distributed by GSCVM framework of cotton & food producers' orgs Finance: CMDT has service contracts with BNDA (national agricultural bank) and Kafo Jiginew (micro-finance institution) to finance farmers' needs in terms of production (inputs and agricultural equipment), in joint investments (construction of literacy training centres, stores and health centres) and in consumer goods (motorcycles, TVs). They provide these short term or medium term loans according to their nature and such loans are repaid by deductions taken at source from cotton grain payments to producer orgs. <p>Production constraints:</p> <ul style="list-style-type: none"> Inputs: constraints on providing farmers with agricultural inputs is related to country's landlocked nature, lack of agro-chemical industries, limited number of manufacturers who can tender, thus implying a situation of monopoly at least as far as the cotton complex is concerned, and consequently annual increase in input prices; increase in input prices prevents observance of the appropriate doses to be used by farmers. Producer prices largely depend on world cotton prices that are subject to downward pressure as a result of overproduction and American and EU subsidies Climatic conditions are fundamental to rain-fed cotton crop: early rains, adequate and regular during the season. These conditions are not always realised (eg 2002/2003 season, inadequate rainfall). <p>Farmer training constraints:</p> <ul style="list-style-type: none"> Quality: 'Malian cotton farmers attracted towards mass production at expense of quality'; areas sown and cotton quantities to be harvested generally exceed capacity; there is little/no selection during harvest, as payment made on basis of village-level classification of cotton grain. Increased production through cropped area expansion – rather than intensification of cultivation – leads to continued degradation of farmland and low farm yields. Farmers are not yet adequately organized in order to effectively handle their self-supply with cereal inputs, herbicides and farm implements; shortage of fertilizers leads to dilution of cotton fertilizers on food crops. 	<p>Key implementation partner: note, CMDT perceives its role both as economic operator and social development promoter.</p> <p>Interested and keen to learn more; content with representation of cotton companies in RWG via ACA</p> <p>Contact advised that BCI needs to send formal communication to Executive Director (PDG)</p>

Organisation [and structure] Individual/s consulted and contact details	Focus of work / experience in relevant areas	Key challenges identified & views on BCI draft Global Principles	Potential partner (Working Group member, implementation partner)?
<p>ILO (IPEC)</p> <p>Moulaye Hassan TALL, Administrateur National BP 2969 Bamako Torokorobougou Rue 305 Porte 158 moulayehassan@bitmali.org + 223 228 13 76</p>	<ul style="list-style-type: none"> Decent Work Child labour remediation 	<ul style="list-style-type: none"> Outlined ILO perspective on Decent Work in rural sector in Mali: this should be paid work, performed voluntarily, respecting core labour standards, undertaken in a healthy environment. For ILO, this framework seldom characterises work in Malian cotton sector Given economic pressure on producers, tendency is to aim toward maximum production, commonly entailing over-use/misuse of inputs; re-sale of inputs derived from 'cotton infrastructure' is common OHS impacts in cotton sector: lack of PPE/training, incorrect dosage, particularly hazardous for women (reproductive health, and risk of contamination of food, prepared exclusively by women who likely have come into contact with potentially hazardous chemical inputs) and children (one constituent of 'hazardous work'). However, ILO recognises difficulties: lack of 'safety culture' and hence even if equipment is made available unlikely to be used as uncomfortable, lack of training on safe practices, impeded by high levels of illiteracy (c60% in cotton-growing region). Labour inputs: most labour is provided by immediate/extended family and community; however, ILO claims – contrary to claims of producers – that most farms use external/seasonal hired labour during planting, harvesting and other peak periods of cycle (particularly so on larger farms) Payment: in principle SMIG national minimum wage applies to all sectors including agriculture; in practice rural workers are very low paid, if at all; on some farms, payments – to family or hired labour – are made only after producers have received payment (ie at end of season) Food security: at risk where cotton predominates over rice/cereals in rotation, due to perceived economic advantage – question of finding apt balance between cash crop and subsistence crop Child labour: cotton cultivation is characterised by a high level of children's participation, not all of which is necessarily unacceptable under ILO standards; from farmer perspective need to balance ability to pay school fees and associated costs with need to create income (through family farming involving children) IPEC has 'time-bound programme' (TBP) to address worst forms of child labour in Mali: according to IPEC figures, just over 70% of child labour in Mali is in agriculture, itself dominated by cotton cultivation. The TBP aims both to reduce demand for child labour – through work on regulation, awareness-raising and incorporating child rights into poverty reduction planning – as well as supply of child labour – through work with schools/teachers, Government, as well as working with families of most vulnerable children to provide alternatives to children working. 	<ul style="list-style-type: none"> ILO is key stakeholder on Decent Work principle: have significant programmes and expertise on all aspects of Decent Work, particularly child labour (which is theme of most interventions) Keen to engage/work with BCI Hard line on child labour – eg what is apt to incremental amelioration rather than immediate withdrawal from work - will present difficulty in partnership working with AProCA and members, who do not perceive child labour – in any form – to be a sustainability challenge

Organisation [and structure] Individual/s consulted and contact details	Focus of work / experience in relevant areas	Key challenges identified & views on BCI draft Global Principles	Potential partner (Working Group member, implementation partner)?
Kafo Jiginew David DAO, Directeur Général Adjoint BP 47 Koutiala ddao@orangemali.net +223 264 00 11	<ul style="list-style-type: none"> Input credit Lending linked to producer organisation Potentially providing funds for crop diversification, though closely linked CMDT 'cotton infrastructure' 	<ul style="list-style-type: none"> Kafo Jiginew ('silo union') established in 1987 as network of savings and credit banks in cotton-growing south of Mali: originally supported by European NGOs Comité français pour la Solidarité internationale, ManiTese, Agro Action Germany and SOS Faim Belgium and EU. Now major support from OikoKredit. Kafo Jiginew is main decentralized MFI in Mali, with no real competition. In order to become member of Kafo Jiginew, farmer must commit reimbursable contribution of CFA 5000, purchase a savings book for CFA 2750, and maintain minimum balance of CFA 3000. Kafo currently has c 150,000 male members and c60,000 female members Kafo Jiginew grants 4 kinds of loans to all members: short term ordinary loan – for 1-5 months for all revenue-generating activities at monthly interest rate of 2% ; 'agricultural campaign' loan – for 6-12 months for farmers, at monthly interest rate of 2%; stock loan (input credit) provided through relationship with CMDT (see below) at annual interest rate of 10% ; equipment loan for 3 years, at 18% annual interest. Alongside BNDA, Kafo offers input credit for cotton farmers through contract with CMDT Dependency on cotton became evident 'weakness' of network : ie price fluctuation and seasonality constituted risk for Kafo Jiginew. In view of this, diversification toward urban lending initiated 2000. Now Strengths of Kafo Jiginew: organised by cotton farmer for cotton farmers; high penetration level (just over 11% of population of southern Mali) explained by low competition and high commitment of members 	Given centrality to cotton input credit – and other forms of lending to cotton framers - key interlocutor at national level with regard to draft Economic principle.
IFDC Dr Sarah Gavian +223 490-0122 (office/bureau) +223-490-0121 (fax) +223-536-9361 (S Gavian cell/mobile) sgavian@ifdc.org	Implementing USAID-funded West African Cotton Improvement Program (WACIP); Nominally working in C4 countries (Benin, BF, Chad and Mali); Relvant 'intervention areas' include: Support policy and institutional reform for private management, Strengthen private cotton producer organizations, Improve the quality of C-4 cotton, Good agricultural practices in cotton producing areas, Improve access, quality and reduce costs of inputs, Identify gender issues and ensure participation by women, Environmental impact and mitigating measures, Accommodate needs of disadvantaged groups, especially people living with HIV/AIDS.	<ul style="list-style-type: none"> A number of structural issues identified: entrenched interests, unwillingness to be guided by market signals, lack of full value being paid for seed cotton (no reflection of oil value); although farms have a diverse range of crops growing, farmer representation is based on commodities, which act independently; input provision/credit system in need of reform; over-reliance of economy of FOREX earnings from cotton Noted that Pan-territorial pricing, while not a market-based approach, may be appropriate given lack of extension system Focus of WACIP is on productivity (and not production-which is not necessarily positive); challenge is raising yields, which are falling (in comparison to many other parts of the world, where yields are increasing); better integration of livestock, rotation crops one of the potential solutions Also looking at developing better-targeted fertiliser formulations, based on soil types (existing soil maps very old, don't include new production areas); also looking to better link manufacturers to producers; looking to improve quality, timeliness of delivery (supply-chain organisation) as well as formula Stressed importance of using local people, providing local control if change is to be effected 	Perhaps working group; implementation more relevant but note that IFDC are the implementing organisation for a USAID program that will expire in 3 years ...
FAO Mohamed Soumare	GIPD (IPPM)/FFS Program being implemented; focus on pesticide use reduction	<ul style="list-style-type: none"> Have trained 31 trainers (14 ex CMDT); looking to train about 1000 cotton farmers A major challenge is 'competition' from pesticide sellers; many farmers have been taught that they cannot grow cotton without pesticides, and that treatment every 8 days is required 	FAO a potential member of RWG, but there may exist head office issues related to not being involved in

Organisation [and structure] Individual/s consulted and contact details	Focus of work / experience in relevant areas	Key challenges identified & views on BCI draft Global Principles	Potential partner (Working Group member, implementation partner)?
+223 679 0475 msoumare03@yahoo.fr	GEF Program – monitoring levels of pesticides in rivers	<ul style="list-style-type: none"> • Overview of recommended production system: <ol style="list-style-type: none"> 1. Use certified seed 2. Appropriate choice of site for planting cotton 3. Use of manure (15 – 20 tonnes, and up to 30); but availability / sourcing / transporting are all major challenge, therefore looking to introduce more on-farm compost pits; ingredients are dung, cotton stalks/residues and gin trash 4. Use of 'cotton complex' mineral fertiliser: 150-200kg/Ha (N, P, K, B, S); 100 kg/Ha of urea (and up to 150) 5. Some tractor use for land preparation 6. Planting done after first rain 7. Checking of plant stand and re-planting is advised if poor stand; based on row-spacing of 50-80 cm; effect of different plant spacings being investigated; trend is towards 80 cm rows with either 20 or 30 cm plant spacings 8. Both manual and chemical weed control methods are used; FAO encourages manual based on negative impact of herbicides on health, environment and beneficial plants 9. For pest control, trying to move away from calendar approach to weekly inspections (including for boll damage, leaf staining), random sampling of 25 plants and close observations (with FAO supplied loupes); insects are also captured for study (via insect zoos, whereby farmers are educated on the life-cycle of the insect, the impact of the pest on the plant and whether it is a predator or prey); this is followed by small group discussions; host plant resistance is also demonstrated; overall aim is to demonstrate that presence of insects – if damage is not significant – does not automatically require control by pesticide application; natural products, including neem, tobacco and capscin used as initial attempts to repel; some very good results to date, reducing 10 applications to 1 10. If natural control, host plant resistance, etc. does not work, then farmers are directed to answer a series of questions: is harvest at risk? Then, if decide to apply a pesticide, asked to look at the economics, and to think about which is the best product to use, based on health considerations; noted that no substitute has emerged to replace the soon-to-be banned endosulfan; also noted that banned products nevertheless available, and that lack of labels also a problem 11. Observations are maintained until harvest 12. Harvest carried out by women by hand, at one week intervals over about a month 13. A general meeting is held to discuss best ways to look after cotton quality, and practical measures are determined 14. Try to get farmers to develop operating accounts, ie calculate profitability • Program is running in 6/8 growing regions of Mali • Are conducting a survey, based on a pest management questionnaire that will also provide information about the involvement of women and children in pest management 	<p>anything perceived to be a standard setting process</p> <p>Potential role in implementation and/or testing of definition of Better Cotton</p>

Organisation [and structure] Individual/s consulted and contact details	Focus of work / experience in relevant areas	Key challenges identified & views on BCI draft Global Principles	Potential partner (Working Group member, implementation partner)?
IER (research institute) Dr Amadou Cisse Deputy Director-General +223 222 26 06 amadou.cisse@ier.ml	National Research Agency	<ul style="list-style-type: none"> Note: not a cotton expert (a vet) Nevertheless, very supportive of anything that AProCa supports Noted that they hold an annual meeting whereby farmers advise on research needs and priorities Highlighted that 50% of the population is involved in cotton, and that it is the best option for poverty alleviation Noted that Dr Oumar Coulibaly the best IER person to meet with regarding GAP's for cotton growing 	<ul style="list-style-type: none"> Yes; and given AproCa support for BCI, IER would support WG via allowing IER technicians/staff to participate – 'full co-operation' offered
Ministry of Agriculture Lahaou Traore Charge de Mission, Inspector des Services Economiques +223 673 0875 lahtoure002@yahoo.fr		<ul style="list-style-type: none"> Meet and greet; ex member of parliament, so potentially influential 	
Sikasso meeting (regional producer organisation)	<ul style="list-style-type: none"> 	<ul style="list-style-type: none"> Discussions on the technical aspects of cotton production 1 extension agent for every 400 farmers Extension agents / input providers all employed by CMDT Highlighted (claimed) that farmers don't have TIME to check all the pests, so when checking happens, pests are too far advanced. Disputes between producer and cotton company on quality grade – no independent quality grader. 	No; regional growers association only, already covered by AProCa
AFD –Mali (French Development Agency) Manda Sadio Keita, Chargé d'Etudes "Pole rural" keitasa@groupe-afd.org Lucien HUMBERT, Chargé de Mission humbertl@groupe-afd.org T : +223-2221-22842	<ul style="list-style-type: none"> Coordinate donors in Mali. West African Cotton Sector PSD Programme – to support producer organizations via cooperatives for cultivation (incl. cotton) looking at management practices 	<ul style="list-style-type: none"> BCI needs formal approval from Ministry of Agriculture to work in Mali. There are lots of productivity gains to make in Mali: key problem with lack of research i.e. what are new levels of technology, and lack of awareness about the existence of latest research/methods, and how to implement them. Questioned the link between production and market with Better Cotton considering no label. Noted that QUALITY was the key for change as on quantity Mali can't compete with Brazil, China etc. And that QUALITY needs to be recognized through the supply chain. Price highlighted as key concern: some producers can survive with a price of FCFA150; and others have greater capacity to absorb 'price shock'. However, for smaller producers 'Better Cotton' might mean selling seed for bio-fuels; or not growing cotton at all – and creating other options for access to inputs in general. Risk of climate change in Sahel area and associated increased risk for investment in cotton infrastructure was highlighted. Explained that China could come into Mali as part of privatization process and buy gins. 	Yes; question is who from AFD (as they have separate offices in different countries).

BURKINA FASO

Organisation [and structure] Individual/s consulted and contact details	Focus of work & experience in relevant areas	Key challenges identified & views on BCI draft Global Principles	Potential partner (Working Group member, implementation partner)?
UNPCB (producer organisation) Athanse Yara +226 76 64 79 30 yaraathanase@yahoo.fr Boureima Sanon +226 70 21 53 40 ibsanon@yahoo.fr	National Producers Organisation; role in input provision and extension	<ul style="list-style-type: none"> • "Cotton is cotton" so not overly concerned about developing a global definition of better cotton • Average holding is 2 Ha; 98 % are illiterate, so are informed what to do • Typical rotation is cotton/maize/sorghum • UNPCB employs a series of extension gents; each agent is responsible for 80-100 producers • Issues: cost of inputs, price paid to the producer, soil health (low organic matter levels in particular, as well as low levels of phosphorous) and heliothis control 	Perhaps for WG; depends on numbers and position of AProCa re the need for national producer associations to be involved on WG
INERA (research institute) Dr Oula Traore +226 20 97 21 05 oula.traore@coraf.org	National Research Agency	<ul style="list-style-type: none"> • Research foci: productivity and fibre quality • As in Mali, INERA research program is influenced by producers • Overview of production system research/issues: Productivity <ul style="list-style-type: none"> ○ Breeding of good varieties (can yield up to 3.5 t/Ha) ○ Soil health a major challenge: 80% of soils have an organic matter content of 0.5 to 0.6%; soils are generally acidic/ferrous, and low in N ○ Reduction in input costs; given high costs of fertilizers and pesticides, looking to use local resources: crop residues, composting, manure, dolomite, phosphate rock ○ Encouraging legume rotations, eg. soy beans, for both N and weed control via ?trash blanketing; organic matter improvement is the focus, via composting and crop rotation ○ A corn/cotton rotation is becoming more common; husks can be used for compost ○ Feed for livestock also an important consideration to be taken into account; need to find balance between cotton and animal production (eg. feeding crop residue vs. composting) ○ Looking to identify suitable minimum tillage practices ○ Traditional sowing date: end April/early May ○ Need to balance organic matter and fertiliser input also a challenge: recommend 2t/Ha organic matter and 200 kg of mineral fertilizer ○ Average holding is 3-4.5 Ha (1 household); some as large as 60-70 Ha, but these are rare; some as small as 1 ha • Also researching herbicide use, effect of pesticides on soil health <ul style="list-style-type: none"> ○ Previously, focus of work on pesticides was on effectiveness; now more focused on toxicity, safe use (eg. formulation options) ○ GIPD shortcoming noted: more than just counting numbers of 'good' and 'bad' insects; therefore while trying to protect beneficial insects, is difficult ○ Moving to threshold spraying, based on 5-10 infected plants /Ha (CHECK) ○ Other areas of research include natural insecticides (eg neem – working on making it more UV stable), regional moth movement and resistance monitoring in cotton and vegetable cropping systems, identifying repellent plants (eg. tobacco, chilli) • Overview of fibre quality research/issues 	Yes (WG)

		<ul style="list-style-type: none"> ○ Seeking longer (currently 35's), also looking at strength, mic, colour, seed size, germination rate, yield, uniformity and elasticity (tenacity/elongation) • Centre includes a team of sociologists and economists to determine whether technical superiority of a technology translates into improved livelihood • Bt: are working on it – now into 5th year, working at a number of sites with each of the cotton companies; looking at effectiveness, gene-flow (from 1 – 100 m); at 15 m, less than 1% 'contamination'; refugia options also being investigated (sunflower, sorghum, other options, area required) • Have had pyrethroid resistance for last 10 years; advise on no pyrethroid use for first 2 treatments (profenofos and endosulfan? Only) • Issue of ownership rights highlighted: why invest in long-term sustainability if no certainty regarding tenure • Noted that liberalisation had not affected the operation of INERA; only issue is that with 3 cotton companies now, more difficult to know who to talk to: do they meet with them individually or collectively? Solution seems to be that SOCOMA (12 %) and Faso Coton (8%) have designated SOFITEX to represent them with INERA • INERA is working with the cotton companies on use of protective clothing when using pesticides • Also working with them re use of Bt cotton 	
FAO Dr Souleymane Nacro +226 30 60 57/58	GIPD Program GAP Program	GIPD <ul style="list-style-type: none"> • Program is regional: BF, Mali, Senegal, Benin; phase I from 2001-2005; now in phase II • Basic objective is to support the extension systems, build capacity of producers • Focusing on 3 sectors: cotton, vegetables and irrigated rice; also focused on pesticide use • Principle partner (funder) is the Netherlands • Have achieved good results in vegetables; results in cotton limited, mainly due to challenges in establishing partnership with private sector (SOFITEX); cotton the only sector where extension agents are not employed by the Ministry of Agriculture; further, SOFITEX comes under Ministry of Commerce, not Agriculture; thus now working directly with UNPCB • Targeting 8,000 producers across the 3 sectors; trained 80 extension agents, including 4 ex SOFITEX GAP <ul style="list-style-type: none"> • Working with INERA and UNPCB since 2005, supported by Norwegian government • Based on a systemic approach, that recognizes cotton growing as part of a broader farming system including livestock and cereals • Piloted in BF; approach in Mali and Benin still looking at cotton in isolation • Undertook extensive producer consultations: soil health the issue • Therefore implemented a FFS program on soil health, starting in 2005, focussing on cotton as part of a system with corn and a cover crop (mucuna: leguminous cover crop for N, also stock feed and herbicidal effect) • Achieved 30 % increase in cotton yield, 40 % for corn • Producers motivated via UNPCB structure: use their network of grassroots producers to act as champions; started with training 10 of them, now expanding to train another 25 producers • Very focused on training the trainers; total producers reached now 256, who have achieved an average yield of 2.5t/Ha cf. national average of 1; again, soil health management the key to this success General Comments on Draft Principles and Related Issues <ol style="list-style-type: none"> 1. The main environmental/ecological challenge is poor/inappropriate use of chemical inputs; linked to a lack of training from the chemical companies 2. Further, poor use of pesticides not limited to cotton; off-crop use a major issue; the vast majority of imports are nominally for cotton, but not all end up used on cotton 3. Pollution, soil degradation, loss of natural habitats also problems 	FAO a potential member of RWG, but there may exist head office issues related to not being involved in anything perceived to be a standard setting process Potential role in implementation and/or testing of definition of Better Cotton

		<p>4. Lack of awareness and training regarding the human health implications of pesticide use</p> <p>5. Unfortunately easier to identify the poor practices being used than the good practices</p> <p>6. The fundamental good practice is soil organic matter level management</p> <p>7. Since 1994, president has had a personal program promoting compost production via use of a dual hole mixing system; but program only finances creation (digging) of the pits; whereas issue is mixing and transport of the compost; program coming to an end so long-term sustainability of the approach is about to be tested</p> <p>8. As an alternative to domestic pit composting, GIPD/IPPM is looking at aerating and turning crop residues – has advantage of able to be done next to the field, so no transport issues; currently looking at it in rice; needs water</p> <p>9. Alternatives for pesticides being investigated, eg. neem; works in cotton, but best usage/results have come in vegetables</p> <p>10. Also looking at optimizing yield through intensification of production, instead of expanding area</p> <p>11. Techniques to minimize tillage also being looked at: use of tractors, shallower tillage</p> <p>12. Diversification considered important: challenge is how to provide an alternative to a cash crop when no obvious market for other crops can be identified; are looking at fodder crops, especially in the peri-urban region of Ouagadougou</p> <p>Stressed importance of the various initiatives: AFD, ADB, EU seeking to understand what each is doing, and to identifying potential for collaboration so as to maximize their impact</p>	
<p>IFDC (USAID linked programme)</p> <p>Sami Traore +226 76 68 50 70 straore@ifdc.org</p> <p>Ibrahim Sourabie +226 70 70 70 60 isourabie@ifdc.org</p> <p>Daoudor Traore +226 70 24 92 76 dtraore@ifdc.org</p>	<p>Noted that WACIP does not have any direct link to extension staff; rather, have technical staff at each cotton company</p> <p>Role is more on identifying needs then making grants to seek to address those needs</p> <p>Partners in BF include the 3 cotton companies, UNPCB, INERA, various government departments (including policy, biotech safety agency); CIRAD not a partner</p>	<ul style="list-style-type: none"> • Very positive; identified 3 potential areas for collaboration: <ul style="list-style-type: none"> ◦ GAP's generally ◦ Rationalisation of the various efforts being undertaken in cotton (considered it a primary responsibility to collaborate with other initiatives seeking the same outcomes) ◦ Environmental issues • Major issues: organic matter levels; developing quicker composting techniques (via inoculums), with phosphate also added; fertilisers then used to complement this compost • Expressed interest in housing any regional BCI 'staffer' • Also expressed interest in having BF as a project country • Noted that there are many actions available for improving fibre quality • See Bt cotton as a means of reducing impact of pesticides • Noted existence of illiteracy program • 300,000 family farms 	
<p>ILO – IPEC</p> <p>Makan Traore, Inspecteur du Travail, Administrateur de Programme 03 BP 7016</p>	<ul style="list-style-type: none"> • Decent Work • Child labour remediation 	<ul style="list-style-type: none"> • ILO-IPEC Burkina perceives child labour in cotton-growing to be a real problem. To this effect, IPEC is currently commissioning a survey of child labour in the western SOFITEX region (Boucle du Mouhoun, responsible for over 20% of national production), likely to be undertaken by Ouagadougou University. This will provide detail statistics and description of children's activities, working conditions, socio-economic circumstances of families, and will propose recommendations for activities to address child labour in cotton growing in the area. The research will culminate in a workshop to be held in Burkina Faso in December 2007. 	<p>ILO-IPEC Burkina enthusiastic about BCI's interest – and sees a valuable role in opening debate with producers on the difficult issue of child labour</p> <p>IPEC also points to potential for</p>

<p>Ouagadougou 03 travaillenfants@fasonet.bf +226 50 33 02 53</p>		<ul style="list-style-type: none"> • IPEC Burkina states that children are involved in all parts of the cultivation cycle: preparation, input transport, ploughing, planting, hoeing, pesticide application, field upkeep, harvesting, stocking and weighing • Cotton farms do not generally have sanitary facilities, entailing that workers cannot rid themselves of pesticide residues, and IPEC emphasizes children's increased vulnerability to pesticide exposure • IPEC makes a direct link between cotton-growing in the key areas and low levels of school attendance – ie c42% of school-age children in Boucle du Mouhoun • IPEC points to the increasing mechanization of all scales of cotton-farming in Burkina – other than harvesting which remains entirely manual, and where girls are predominant – and to the attendant dangers for children • IPEC points to the intersection between cotton cultivation and the specific issue of child trafficking: this is by no means the majority circumstance of children's participation in cotton growing, but is a distinct and extremely problematic practice. It links in to cultural traditions of sending children away – to members of the family, to religious schools, or to earn their keep – but a new development is the advent of 'child labour intermediaries' who provide children to work on farms. This is exacerbated by the fact that children often actively wish to leave their villages – girls in order to prepare their dowry, boys to prove themselves in the world, and to earn enough to buy a symbol of their wealth, such as a bicycle. • Pay: ILO suggests that most cotton work is at piece rates per field – eg CFA 500 per field. The 'producer' – namely the recipient of the money paid for the cotton grown – is almost always the male head of the household and any payments made to family members who work on the family smallholding are at his discretion: this entails that family workers may work without direct remuneration • IPEC points out that cotton companies such as SOFITEX have their own Health and Safety Committees which should, in principle, advise farmers on safe practices 	<p>incorporation of 'labour' aspects within extension/advisory services to farmers</p> <p>Principal supporters of ILO-IPEC work in francophone West Africa are US Department of Labor and French Government</p>
<p>RCPB (finance)</p> <p>Daouda Sawadogo, Directeur Général 01 BP 5382 Ouagadougou 01 fcpb@fasonet.bf daoud_sawa@hotmail.com +226 50 30 48 41 Aoua Sawadogo, Chef de service 01 BP 07 Bobo-Dioulasso aouasa@yahoo.fr</p>	<ul style="list-style-type: none"> • Input credit • Lending linked to producer organisation (GPC) • Closely linked to 'cotton infrastructure' – through partnership with SOFITEX and UNPCB 	<ul style="list-style-type: none"> • RCPB is network of credit unions, established in 1972, now with c90% coverage of country. Supported by wide range of donors, including CIDA, Danida, EU, UNDP and DI Desjardins (Canada). Now has 535,000 members • In 2002 RCPB began exploration of possibility to emulate Kafo Jiginew model of micro-lending for cotton input pre-finance (with advice from Kafo Jiginew). Began lending to cotton farmers in SOFITEX region (west) during 2003/4 season – now covers 15% of farmers (1,500) in area. RCPB cotton input finance is subject to following requirements: lending done via village producer group (GPC) which must be affiliated to UNPCB national producer org; GPC must have sound credit record; SOFITEX is engaged to provide technical support and guaranteed off-take • Offer range of credit instruments – for cotton farmers, primarily agricultural lending for inputs and equipment. Also offer savings vehicles, and advisory/training services – eg management/business advice for GPCs • Terms of input lending as follows: maximum loan duration 10 months (growing season) at 9% interest for this period; admin fee CFA 1000 per GPC group; GPC takes collective responsibility for loan repayment (so-called <i>caution solidaire</i>); repayment may be in 1-3 installments, depending on harvesting calendar and payment of monies by SOFITEX. <i>NB RCPB's entry into cotton input pre-finance has entailed a lowering of interest rate from 11% - as was case under BACB arrangement - to 9%.</i> (Historically, inputs (fertilizers, pesticides) were supplied to producers by SOFITEX, which facilitated loans to farmers through the Burkina Agricultural and Commercial Bank (BACB, formerly CNAC), especially for the financing of inputs and equipment.) • Terms of equipment loan as follows: maximum loan duration 3 years at 10% annual interest; admin fee CFA 5000 per GPC group plus 2% of loan; farmer takes individual responsibility for loan repayment • Credit assessment process: tripartite credit committees (RCPB, SOFITEX, UNPCB) established at local and national levels assess validity of input requirements expressed by producers, and capacity to repay input credit; at (sub)national level, total input requirements are processed and ordered by SOFITEX, which then distributes inputs on credit to GPCs; credit recovered in principle at source (ie from monies paid out by SOFITEX for seed cotton) 	<ul style="list-style-type: none"> • RCPB interested in BCI, but suggest that BCI should engage other parties at heart of cotton question – producers foremost. • Could not suggest 'regional' umbrella body to represent MFIs in RWG

		<ul style="list-style-type: none"> RCPB view of cotton sector: vital economic sector (7-10% of GDP, 3m persons dependent on cotton for livelihoods); risks include climate and market price fluctuation; cotton finance constitute important 'entry-point' for rural people to access financial services; can assist in safeguarding funds derived from cotton-growing; RCPB can – and has had – impact in lowering interest rates for cotton-sector borrowers RCPB has had difficulties in working with SOFITEX – namely SOFITEX' failure to pay on time, failure to 'share risk' with RCPB in case on non-repayment: RCPB suggests that key problem is continued SOFITEX (and other cotton companies') monopoly on input provision, and hence high prices. RCPB is interested to explore potential to work directly with producers in financing agricultural needs. Area in west/south-west where RCPB lends to cotton producers includes are where Helvetas is working to promote organic cotton. RCPB suggests that the amounts produced by this project are very small, and the key financing challenge for these producers is to purchase equipment necessary to transport organic manure. 	
UCEC-Z (Union des Coopératives d'Epargne et de Crédit du Zoundweogo) Judith Koama Directrice Générale UCEC-Z Manga BP 334 +226 5040 0034 +226 7658 4701	<ul style="list-style-type: none"> Input credit Lending linked to producer organisation (GPC) Financing partnership with Faso Coton 	<ul style="list-style-type: none"> Small credit union working in south-central region, part of 'Faso Cotton' area (see below). Now supported by CIDA and Terrafina (originally supported by Rabobank) Offer input credit and livestock credit to cotton producers. As with RCPB, lending done via village producer group (GPC) which must be affiliated to UNPCB national producer org; GPC must have sound credit record; Faso Coton is engaged to provide technical support and guaranteed off-take Principal challenge for UCEC-Z has been delays in payment to farmers; however, since privatization brought about advent of Faso Coton in region, this has not been problem. UCEC-Z suggest Faso Coton are good partner – and provide extension/advisory services to producers 	
Faso Coton (cotton company) Kambire Koumpire, Directeur Régional Zone Industrielle de Gounghin BP 1454 Ouagadougou 01 +226 50 34 30 39/40 +226 76 62 66 86 koumpire.kambire@faso-coton.bf	<ul style="list-style-type: none"> Input selection, order & provision Input credit/finance Extension / training Collection, transport, classification & ginning Sales & marketing 	<ul style="list-style-type: none"> Faso Coton arose from the privatisation of cotton sector and is responsible for cotton production in central/south-central region. Faso Coton is owned by a consortium including Reinhart (31%), Ivoire Coton/IPS (29% - also majority-owned by Reinhart), input/fertiliser provider AMEFERT (20%), transporter SOBA (20%), and UNPCB producer org (10%). Most if not all of cotton fibre is traded by Reinhart. German development bank DEG Invest also contributes to financing. Faso Coton has its own internal research centre, but also collaborates with two other cotton companies and shares resources/research of INERA cotton programme – eg selection of seed varieties, approved inputs. Faso Coton provides own extension/advisory services to farmers: 5 regional heads, agricultural advisors, specialist advisors (eg non-cotton, livestock). Faso Coton determines quality classification of seed cotton Input credit: Faso Coton works with UCEC-Z (see above), BACB (Banque Agricole et Commerciale du Burkina) and also pre-finances inputs directly where producers have no access to credit structures. Participates in credit committees which evaluate producers' stated input requirements and capacity to repay: input credit is limited to 40% of total projected annual crop profit; equipment credit limited to 70%. Interest rate applicable to input pre-finance has dropped from 13% (1993) to 8.5% (current rate). Confirms that input resale is a significant problem, affecting up to 50% of all cotton inputs; additional challenge is non-approved, illegal inputs entering country which may be as much as four times cheaper than approved product. Faso Coton confirms that input prices and seed cotton purchase prices are set nationally – via AIC multi-party sectoral committee – and apply to all three cotton companies – given that they have different regional focuses, there is no direct competition between companies. Faso Coton works closely with producer organisations – in practice this is the URPCZC (regional affiliate of UNPCB for Central region) which represents farmers in Faso Coton region. Emphasises importance of village-level GPCs in organizing payment: GPC receives payment from cotton company and then attributes this to each member producer, according to records of how much each farmer contributed to the GPC total crop. Faso Coton 	<ul style="list-style-type: none"> Interested – although already involved in CMIA Represent relatively small volume of production (8%) of SOFITEX (80%)

		<p>does not pay each producer – or arrange credit with each producer – but rather deals with village-level GPCs. Payment is made via bank transfer to GPC collective accounts.</p> <ul style="list-style-type: none"> Faso Coton points to challenge of addressing soil health over the long-term (FC has internal programme funded by DEG on this issue): given that one of the key challenges is for farmers to be able to afford to make and transport manure/compost, time-bound development projects which have provided free delivery of organic matter have been limited in impact, as the key factor – ability to make and transport organic matter – ceases with the end of the project/funding. FC are looking to increase intensity of farming, rather than extend amount of farmland under cotton, and suggest that key factor here is availability of equipment Faso Coton is CMiA partner in Burkina Faso (cf DEG finance link) and undertakes to purchase CMiA farmers' cotton at pre-agreed price. Faso Coton intends to produce CMiA cotton beginning with 2007/2008 cotton campaign. Precondition for entry into CMiA is declaration of compliance with CMiA exclusion criteria - NB declaration of compliance not yet publicly made. 	
<p>SOFITEX (cotton company)</p> <p>Lassana Samyr Kargougou, Chef du service Commercialisation Primaire karsamyr@yahoo.fr Mobile : +226-76612589</p>	<ul style="list-style-type: none"> Development of cotton sector as a whole Improving yields Organising collection and processing of cotton. Extension Seed research Advise ginners Contracts transport companies Have 12 gins (contracted?) 	<ul style="list-style-type: none"> SOFITEX, by far the largest cotton company in Burkina Faso (80% of market), sector because of de facto monopoly on the collection of seed cotton in the cotton-growing areas of the west and south-west, is a joint venture of the French group Dagris (34%), the Burkinabe state (34%), the UNPCB (30%) and local banks (1%). SOFITEX cotton fibre is sold to a range of major cotton traders including: Reinhart, Dunavant, Cargill, COPACO, CDI Cotton sector reform has aimed to give producers a more important role in managing the subsector (with the State taking on a secondary role), to raise their incomes, and to establish a fund to provide support during periods when the selling price of cotton fibre on global markets does not cover production costs (<i>fonds de lissage</i> – 'smoothing fund'). The level of prices guaranteed to producers prior to the start of the season depends on previous trends in global prices and the performance of SOFITEX. Current concern with quality - real issues come after harvest; storage and transport being open to contamination. However, 70-80% is graded as top quality (1). Only have 3 grades, (1), (2) and (discard). They do not distribute seed with a lower germination rate than 80%. Silos (to store harvest) and advice on issues of quality are financed by producer organizations; producers also pay insurance premiums (FCFA60 per tonne). However, only 60-80% of local village groups have silos. Silos are where the cotton gets weighed – no where else to weigh it. Company sells the waste from the GIN back to the producer as organic matter. Employ ag. Extension officers (100) organized by region; use standard training package which gets updated; and Train the Trainer sessions. Communicates to producers through: national magazines; local radio stations; fund national radio programme on cotton (only 1 language out of 200 incl. sub-dialects); 20 mobile advisors before each growing cycle; text/free mobile network. 	
<p>AFD-BF (French Development Agency)</p> <p>Matthieu LE GRIX, AFD Ouagadougou legrixm@groupe-afd.org +226 50 30 60 92</p>	<ul style="list-style-type: none"> Currently running €11 million programme with UNPCB on extension work in Burkina Faso. Working with Farm Foundation – person doing research. 	<ul style="list-style-type: none"> Objectives of Programme running is to diversify production; increase productivity; create/induce situation in which producers 'better' from their production. Implementation will start in next growing cycle and over 5-year period. This is the 3rd successive project of AFD in Burkina Faso focusing on cotton. However it is the first time they are channeling funds through UNPCB (producer org.) instead of the government. Content of the programme will include: advice to family unit on agriculture; vegetal cover for cotton; technical advice; biosecurity – how can producers work with Bt?; smoothing funds – making payments in changing markets. Basis for BETTER COTTON has to be better for the producer so the producer can live well off their production. Suggested that FIBRE QUALITY should go under economic principles rather than environmental With respect to SOIL – considers that producers are well aware of the issues and needs; but there are difficulties with property rights and access to organic matter – so there are structural limitations to what is possible to 	<p>Suggested contact at AFD Paris: José Tissier tissierj@afd.fr</p> <p>KEY implementation partner.</p>

		<p>implement.</p> <ul style="list-style-type: none"> • Thought that access to credit was not really a problem here. • FFS Approach has problems: it is a top down approach to extension; that doesn't take into account local differences and specificities. Suggests therefore that it is better to work with producers' system of organisation when comes to implementation • Crop rotation exists on all family farms as well as livestock • Producers are mostly businessmen and will always take the cheapest option • Producers make CHOICES every day e.g. how much cotton to plant; which crop to focus their attention on; how to use the inputs they are given' how to respond to the market price; etc. 	
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BENIN

Organisation [and structure] Individual/s consulted and contact details	Focus of work & experience in relevant areas	Key challenges identified & views on BCI draft Global Principles	Potential partner (Working Group member, implementation partner)?
<p>SNV Benin (NGO)</p> <p>Jacques Sam, Senior Advisor Market Access, SNV Kandi jsam@snvworld.org +229 23 63 00 13 +229 97 39 74 61 Jose Tegels, Conseillère Genre jtegels@snvworld.org +229 21 31 31 42 +229 97 51 71 54</p>	<p>SNV heavily involved in WA cotton sector – particularly through technical support to producer orgs at regional level</p>	<ul style="list-style-type: none"> Highlighted functioning of key actors in Benin cotton sector – which differ in structure and form from those in Mali and Burkina: the <i>Centrale de Sécurisation des Paiements et de Recouvrement</i> (CSPR) is the main financier/financial intermediary of the sector – CSPR is responsible for managing and administering input pre-finance (interest rates between 8-12%) as well as making payments to producers; the <i>Association Interprofessionnelle du Coton</i> (AIC) brings together all the private-sector actors in the sector – producers, input providers (GPDI), ginneries (APEB) – in order to plan 'campaigns' and oversee research, extension, quality, price determination, road construction – however AIC is currently 'on ice' as the Government rescinded the Memorandum of Understanding which established the AIC, and has not yet replaced/renewed this mandate. Finally, the <i>Coopérative d Approvisionnement et de Gestion des Intrants Agricoles</i> (CAGIA) is a producer-based organisation which is responsible for selection and distribution of inputs. The economy of the cotton cycle can be summarized thus: at the beginning of the season, producers at village-level receive inputs on credit (CSPR) having stated their input requirements, again at village-level; input providers are selected by CAGIA, but inputs are actually distributed by IDI – the input importers/distributors; the price for the following season's cotton is fixed – in theory - in advance of planting by negotiation between actors in the AIC and the government; quotas are attributed to ginneries by the same means; upon harvesting, producers bring together their crop to be weighed collectively at village-level; the cotton is weighed, loaded and transported to ginneries; producers are then paid by CSPR – in theory- shortly after cotton is delivered to gins; input credit is then withheld from the payment made by CSPR to village-level producer organisations, with the village organisation taking collective responsibility for input debt repayment (<i>caution solidaire</i>). In terms of 'alternative' forms of finance, it should be noted that micro-finance institutions charge a significantly higher rate of interest – as much as 32% to cover higher costs – than the CSPR (eg FECEAM MFI offers short-term loans at rate of 24% annual) Donor working group on cotton in Benin is coordinated by EU/GTZ In terms of extension, unlike Mali and Burkina, SONAPRA cotton company is not involved in providing advisory services to farmers: research is undertaken by the <i>Centre de Recherche Agricole - Coton et Fibres</i> (CRA-CF) which is formally part of INRAB; extension is now financed by AIC, with technical input from extension service of Ministry of Agriculture and 12 regional CERPA (<i>Centres régionaux pour la promotion agricole</i>) Producer organisation is also differently structured to the other countries visited. Historically producer interests have been represented by FUPRO-B, but this is a general farmers' organisation, not specific to cotton. Hence a cotton producers' association – ANPC – was established to represent cotton farmers'. (ANPC is represented within official structures by the CNPC, the national cotton farmers' council.) The ANPC is structured at four inter-locking levels: with national, department (UDPCs), commune (UCPCs) and village (GVCs) groupings. SNV has decided to act at level of commune-level producer organisations (UCPCs) – in terms of capacity building, particularly with regard to increasing involvement in financial management – because it is contended that it is unrealistic for village-level to develop the financial management capacity necessary to begin to reduce risk and unlock financing options for members. SNV strategy is to support technical strengthening of commune-level producer orgs through departmental orgs to which they affiliate (rather than circumvent these organisations). Input finance: key problem is not necessarily 'access to credit', but indebtedness of village-level producer orgs to IDI (input importers/distributors) as system of repayment favours input distributors: in principle IDI should receive the 	

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		<p>monies due to them by 15 December each year from funds made available by ginneries (equivalent to 40% of total input value). This payment takes place significantly before any payment is made to farmers. This problem is exacerbated by (albeit well-intentioned) implications of system of 'collective responsibility' for debts at village-level: poor management, stock 'manipulation' and theft/resale of inputs entail greater debts which village-level organisations struggle to repay. SNV suggests that it would be fruitful to look at potential to warrant repayment against sales (as does RCPB in Burkina)</p> <ul style="list-style-type: none">• SNV highlights that women are involved in day-to-day activity of cotton growing: however, women seldom own land, nor receive full benefit of their labour; there are also significant differences in role/treatment of women between Muslim north and Christian south.																																																																																	
<p>OBEPAB (Organisation Béninoise pour la Promotion de l'Agriculture Biologique)</p> <p>Dr Ir. Simplice Davo Vodouhe +229 36 07 57 dsvodouhe@yahoo.com</p>	<ul style="list-style-type: none">•	<ul style="list-style-type: none">• Interested in seeing workshop report• Session was focused on answering questions rather than asking them! <p>Following ex http://www.biocoton.com/default.asp?keuze=26&lang=1</p> <ul style="list-style-type: none">• Since 1996, the Beninese NGO OBEPAB carries out a project on organic cotton production. The project is supported since 1998 through the bilateral Dutch-Beninese Sustainable Development Treaty, which is implemented by the Netherlands International Partnership for Sustainability (KIT/NIPS).,Technical support is provided to the project since 1999 by the organic agriculture consultancy Agro Eco, the Netherlands.• Organic cotton production in Benin has increased significantly over the last five years. The Benin Organic Cotton Project works with 600-700 farmers, one-third of which are women producers. All farmers are smallholders, growing 2 to 8 hectares of land. About one-third of their land is sown with cotton.• In 2004/05, some 650 farmers grow 200 tonnes of seed cotton on almost 500 hectares of land. The average yield will be 400-450 kg/ha. Locally, yields of 600-900 kg/ha are common in conventional cotton production. Two factors compensate for lower organic yields. First, organic farmers do not have to pay back input credit loans (on average 30% of gross conventional cotton income). Secondly, they receive a price premium of 20% above the local conventional price. The producer price is set in advance of the season. Purchase of all organic cotton is guaranteed by the project. <table><tr><th>Season</th><th>No. of Farmers</th><th>Of which Women</th><th>Area (Ha)</th><th>Seed cotton (tonnes)</th><th>Yield (kg/Ha)</th><th>Price (FCFA/kg)</th><th>Premium %</th></tr><tr><td>96/97</td><td>17</td><td>-</td><td>10</td><td>4.8</td><td>494</td><td>240</td><td>20</td></tr><tr><td>97/98</td><td>47</td><td>-</td><td>35</td><td>9.5</td><td>271</td><td>240</td><td>20</td></tr><tr><td>98/99</td><td>113</td><td>10</td><td>102</td><td>35.9</td><td>352</td><td>250</td><td>11</td></tr><tr><td>99/00</td><td>119</td><td>10</td><td>81</td><td>45.3</td><td>562</td><td>210</td><td>13.5</td></tr><tr><td>00/01</td><td>283</td><td>80</td><td>168</td><td>72.4</td><td>431</td><td>240</td><td>20</td></tr><tr><td>01/02</td><td>468</td><td>147</td><td>314</td><td>150.7</td><td>480</td><td>240</td><td>20</td></tr><tr><td>02/03</td><td>685</td><td>214</td><td>425</td><td>185.2</td><td>436</td><td>216</td><td>20</td></tr><tr><td>03/04</td><td>544</td><td>180</td><td>414</td><td>100</td><td>241</td><td>228</td><td>20</td></tr><tr><td>04/05 (est)</td><td>651</td><td>239</td><td>491</td><td>195</td><td>400</td><td></td><td></td></tr></table> <p>Table 1. OBEPAB organic cotton production figures (1996/97-2004/05)</p>	Season	No. of Farmers	Of which Women	Area (Ha)	Seed cotton (tonnes)	Yield (kg/Ha)	Price (FCFA/kg)	Premium %	96/97	17	-	10	4.8	494	240	20	97/98	47	-	35	9.5	271	240	20	98/99	113	10	102	35.9	352	250	11	99/00	119	10	81	45.3	562	210	13.5	00/01	283	80	168	72.4	431	240	20	01/02	468	147	314	150.7	480	240	20	02/03	685	214	425	185.2	436	216	20	03/04	544	180	414	100	241	228	20	04/05 (est)	651	239	491	195	400			<ul style="list-style-type: none">• Not discussed; certainly important to maintain contact, and may be a testing/implementation partner
Season	No. of Farmers	Of which Women	Area (Ha)	Seed cotton (tonnes)	Yield (kg/Ha)	Price (FCFA/kg)	Premium %																																																																												
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Organisation [and structure] Individual/s consulted and contact details	Focus of work & experience in relevant areas	Key challenges identified & views on BCI draft Global Principles	Potential partner (Working Group member, implementation partner)?
IITA (The International Institute of Tropical Agriculture) Ourou Kobi Douro Kpindou +229 95 05 40 34 d.kpindou@cgiar.org Denis A Djegui +229 90 01 18 94 d.djegui@cgiar.org Dr Ousmane Coulibaly	IITA is an Africa-based international research-for-development organization. Vision is to be one of Africa's leading research partners in finding solutions for hunger and poverty.	<ul style="list-style-type: none"> • Their network of scientists is dedicated to the development of technologies that reduce producer and consumer risk, increase local production, and generate wealth. Supported primarily by the Consultative Group on International Agricultural Research (CGIAR) • Working on natural alternatives for insect control, including fungi, viruses and plant extracts • Also looking to tailor control options/advice for different farming systems (eg. rates, timing, mixtures) • Initially looking at neem, use of trap crops; will be trialling these in the north of Benin this year • Next year will expand to testing fungi and viruses (have small-scale production facilities) for boll worm control • Will also trial food sprays (? Envirofeast – check with RM!) • Collaborating with OBEPAB (see above) 	<ul style="list-style-type: none"> • Perhaps WG; more likely a source of new tools, once developed and tested
ILO-IPEC Jerome Heitz, Chargé de Programme Principal, Projet LUTRENA 01 BP 969 Cotonou heitz@ilo.org jheitz_spo@yahoo.fr +229 21 31 45 73 Florent Adégbidi, Administrateur National IPEC 03 BP 2264 Cotonou fadegbidi@yahoo.fr +229 21 31 49 40 Directeur de la santé au travail, Ministère du Travail	<ul style="list-style-type: none"> • Decent Work • Child labour remediation 	<ul style="list-style-type: none"> • Explained that IPEC (child labour) is main ILO activity in Benin – and hence IPEC perspective (as in other countries) does not cover full scope of 'Decent Work': suggested that contact taken with Dakar regional office specialists on other aspects of Decent Work agenda in region • Labour Ministry (Director of Health and Safety) was also present at meeting: observed that government attention is increasing focused on 'informal economy' (eg agriculture) and that attempts to enforce regulation, through labour inspection, are increasing in this area, albeit with limited resources • Children's participation in cotton cycle takes a variety of forms – from 'light work' (eg helping out family after school) which is acceptable under ILO standards, to more intensive, full-time participation in cultivation which is not acceptable – by dint of negative impacts both on schooling and on children's physical well-being. • IPEC Benin emphasized that there is a specific problem, focused principally around Banikoara in northern region, relating to use of Burkinabè child labour trafficked across Burkina/Benin by third-parties and used on cotton farms. IPEC has produced a documentary about this form of child labour in northern Benin, which focuses on the employment of children in arduous, sometimes deprived, conditions on cotton farms. • IPEC Benin takes a strong line on what constitutes 'worst forms of child labour' under C182 - for which only immediate withdrawal, rather than phased improvement of working conditions, is the only appropriate response. IPEC contends that, given the hazardous and arduous nature of much work in cotton fields, it is difficult to envisage that children's participation in cotton-growing would not give rise to a 'worst form', and that very little work in the cotton sector could be seen as (acceptable) 'light work'. This a serious challenge to any attempt to make pragmatic distinction between the majority of children's participation in cotton growing as part of the family unit – a situation which most stakeholders suggest will not change in the short/medium-term – and the exceptional instances of worst forms, either through particularly arduous/dangerous conditions or, exceptionally, because children are trafficked and exploited. • IPEC also suggests that, rather than working only at key points of the cycle, children are engaged in all parts of the cotton cycle: from ground clearing through harvesting to loading and weighing seed cotton. ILO figures suggest that 70% of all child labour in Benin is in agriculture, and that the majority of this is in cotton. Children aged from 6 up are working, with c80% aged from 12-15 (above this age children become less readily exploited): in the most part, IPEC suggest that it is boys who work in cotton fields (around two-thirds). • In terms of health and safety risks (for children and adult workers), ILO-IPEC and Labour Ministry points out: use of pesticides without PPE; contamination risk of consuming food (eg maize) sprayed with cotton pesticides; safety risks associated with stocking practices, whereby children commonly climb to the top of tall piles of cotton – associated risks 	<ul style="list-style-type: none"> • Keen to participate and to facilitate wherever possible: suggest BCI contacts Peter Hurst at ILO-IPEC Geneva with regard to global questions of child labour in agriculture – particularly good practices and experiences; Hurst is also responsible for relationship between ILO and FAO on child labour in agriculture • Suggest that Dakar sub-regional office should take lead in participating at regional-level in RWG (Dakar now has responsibility for francophone West Africa, since closure of Abidjan office)

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		<p>are falling and respiratory illness; toll of heavy work, such as loading lorries with cotton</p> <ul style="list-style-type: none"> Labour Ministry suggested that there are problems with the role of village-level producer organisations (GVCs) who may assume more of a role of 'middle-man', 'buying' cotton from producers and on-selling, rather than effectively representing interests of producers However, IPEC and Labour ministry that the root cause of child labour is rural poverty, and unless families have alternative means and options to meet their needs, then the cycle of child labour will continue. The availability and perceived importance of (school-based) education is the parallel key factor here, exacerbated by high levels of illiteracy among producers and their families. There is some (contentious) debate around the possibility of altering school term times so as to allow children to participate in key family farming activities – eg harvesting – without interrupting their schooling. 	
<p>Dutch Embassy – Cotonou</p> <p>Jan Vlaar, Chef de Poste Adjoint / HOS Ambassade du Pays-Bas BP (08) 0783 Cotonou cot@minbuza.nl jan.vlaar@minbuza.nl +229 2130 2139</p>		<ul style="list-style-type: none"> Dutch Government is interested in supporting a 'fair trade deal' for Benin's cotton farmers: emphasis very much on farm-gate price, and the inevitability of needing to address this when addressing 'sustainability' of sector. Also highlighted the 'double blow' of world cotton prices, which are quoted in US\$, whose current standing militates against competitiveness of farmers in CFA zone Dutch Gov refused to support CMiA on grounds that it offered insufficient economic reward to farmers, and favoured Northern-side marketing efforts. Dutch Gov role on CMiA now restricted to funding provision of cotton bags for cotton picking in CMiA area Suggested that agricultural commodity prices, including for cotton, may rise in the near future due to increased interest in cotton as biomass for biofuel: in this picture, 'BCI model may work'; however, in short-term African farmers are obliged to produce in an unsustainable manner, 'giving away a part of their soil fertility in the produce they sell'. In these circumstances, of which most farmers are well aware, there are not many possibilities to increase both profit and sustainability (ie make BCI reality), without paying a bit more for it. Contended that organic cotton production, despite offering a higher price, does not present a large-scale solution, and may actively exacerbate, in local conditions, soil degradation: namely, there is not sufficient manure/organic matter available to replenish soil, and where it is available it is very costly to transport and may be produced at the expense of the broader habitat (mucuna grown as green manure crop); organic cultivation also requires additional labour whose costs may be covered by the premium offered (given that family labour entails minimal fixed labour costs), but this increase does not cover additional production costs. Suggested that sounder approach to soil health could be to find better combinations of organic and mineral fertilizer. Also emphasized extent to which farmers in Benin assume majority of use, due to structure of input finance/crop payment; lack of / delayed payment; absence of effective market competition in input selection and distribution (cf IFDC MIR regional input marketing project); Pointed out that CFC (Common Fund for Commodities, based in Amsterdam) has invited AProCA to prepare a project on improving cotton quality for CFA zone / WA region: Dutch gov is likely to assist AProCA in preparing bid 	<ul style="list-style-type: none"> Generally positive, while emphasizing challenge of not directly addressing farm-gate prices: suggested that BCI model will be more effective if/when market prices pick up; did not suggest practical way in which 'mainstream' initiative could seek to address farm-gate price, and conceded this was real challenge

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<p>CSA Bénin (IUF regional coordinator) Siméon DOSSOU, SONAPRA (syndicat CSA) Bourse du Travail 1 Boulevard St Michel Cotonou S_dossou@yahoo.fr +229 21 36 03 82 +229 90 93 60 57 Marie-Laurence SRANON SOSSOU (SONAPRA) sranonml@yahoo.fr +229 21 33 13 78</p>	<ul style="list-style-type: none"> • IUF Africa regional coordinator • Trade union official for workers at SONAPRA 	<ul style="list-style-type: none"> • Cotton is very economically important and represents the only 'organised' agricultural sector in Benin; the livelihoods of c2m people (out of 7m) depend on the cotton economy • Trade unions – ie those affiliated to IUF – represent only workers in the formal economy (mainly employees in the public sector and urban/multinational companies); producer organisations are not 'trade unions' in the accepted sense, but are the appropriate representative organisations of small cotton farmers. However, questioned 'representativeness' of producer organisations and effectiveness in representing interests of small producers, the majority of whom are illiterate • Emphasised problem of governance/corruption in Benin, and in cotton sector in particular (the latter has been the subject of a recent USAID report on 'Bad Practices') • Emphasised lack of access to equitable forms of finance, particularly for women, for broader family needs: eg at times of family need, such as death or illness 	<ul style="list-style-type: none"> • Interested to learn more, but appreciated that they do not directly represent key actors

SENEGAL

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Oxfam- GB, West Africa (NGO)	Matar Gaye, Regional Livelihoods & Trade Adviser mgaye@oxfam.org.uk matar_gaye@yahoo.com Mob: +21-546-0959	<ul style="list-style-type: none"> Development NGO Key partner with AProCA; Sally Baden works on cotton. Comic Relief funding (details not got) proposal put together with AProCA 	<ul style="list-style-type: none"> Cotton is not the cash crop for Senegal – it is peanuts; cotton was introduced as a diversification crop – it is a 100% commercial crop; Sodefitec is Senegalese cotton company with a monopoly in Senegal e.g. they can only buy the cotton. This includes control over Guinea & Gambia through relationships with local companies. Companies provide credit, inputs, extension services and buys the cotton. Farmers stick with cotton because of the facility of credit – described as mutual dependency between farmers and company. Sodefitec also encourages producers to grow maize and raise cattle for fertiliser. Currently cotton is only crop in Senegal that is widespread and offers a guaranteed market; and only crop to access inputs at the moment. Producer Organisations: need strong grass roots level and higher level organisation; it is critical for producer organisations to transparently create value down the hierarchies. Health & Safety: in Senegal cotton growing areas see highest numbers of poisoning; there is an informal market for pesticides between cotton producers (sellers) and vegetable producers, which has health impacts beyond cotton farming but due to cotton farming. Research programmes in Senegal have collapsed so unsure of any work being done on fibre quality. Women: less involved in control of production system; but high labour for them at harvesting (family labour but also perhaps some hired labour). Example with peanuts where women set up organisation to fill demand of harvesting. Children: if a child is compensated that is child labour' within family this is part of the livelihood system and not child labour; going to school doesn't guarantee a better livelihood (cf. levels of unemployment). Question raised about possibility to develop seed varieties for staggered harvesting, so enable paid labour and avoiding harvesting time when school starts. Natural habitats: change in rainfall patterns means the 'groundnut' basin is moving towards the 'cotton basin' – what does this mean for the movement of the cotton basin? Soil Health: not enough fertiliser (1 bag/3 farms); producers don't know what to do with it – myth developed about 'fertiliser'. Implementation / Extension: Ag. Extension collapsed as cut down by IMF/World Bank Washington Consensus; was mostly done by technology packages. Farmers motivation comes from access to inputs, not 'techniques'. Need to be able to guarantee the package to give the message. Communication / Training: raised as extremely important to be able to translate 'science' into a message for a farmer that will be taken seriously; farmers work on what they can see, not what they are told. E.g. quality of seed – want to see it. 	<ul style="list-style-type: none"> Partner, Working Group member and implementation partner. First, try to get them on SC as Oxfam-GB Matar Gaye, extremely knowledgeable on implementation do's and don't's.

ISRA – (Senegalese Research Institute)	Dr Taib DIOUF, Directeur Scientifique tdiouf@isra.sn / tdiouf@refer.sn Dr Demba Faib MBAYE dbaye@refer.sn	<ul style="list-style-type: none"> Only institute dealing with crops in Senegal Don't have complete team working on cotton 	<ul style="list-style-type: none"> World Bank funds ISRA through 'National Research Funds'; involved in cereals and other crops as well as cotton. Areas of Research: entomology; breeding varieties; use of fertilizers; region project at research level to test Bt cotton. Also involved in CRISP (Virginia Tech coordinated consortium of universities looking at how to fight white fly); regional programme looking into resistance to pesticides esp. pyrethroids - works Senegalese cotton is 'top quality'. There are around 400 ha. of irrigated cotton in North Senegal. Sodefitex ('sodefitex is now Dagriss') approached CIRAD & ISRA on how to do seed production and seed varieties. Dagriss looking to make Senegal key seed producer in the region. Sodefitex works with Credit Agricole; in this relationship Sodefitex is the guarantee and takes the risk. Grading QUALITY: Sodefitex grade cotton when they buy it – no independent verifier. Very different to 'free' system in Ghana / Nigeria (based on English colonial model rather than French). 	<ul style="list-style-type: none"> Not relevant for Working Group; cotton less significant for Senegal at the moment; however should keep an eye on developments with CIRAD / DAGRIS / ISRA on seed production.
ILO – IPEC, Sub Regional Office for the Sahel	Cristelle MAURIN, IPEC Programme Officer maurin@ilo.org Tel : +221-8892-2989	<ul style="list-style-type: none"> Health & Safety Child Labour 	<ul style="list-style-type: none"> Gave an overview explanation of work of IPEC: to prevent child labour, and improve working conditions of children – through awareness raising and direct action. Key underlying cause is household incomes; can BCI enable households to have a greater income thereby boosting potential for parents to send children to school. Women cooperatives are developing in Senegal. 2 child labour conventions have been ratified by 8 country governments within the region Approx. 70% of children working in the region is in agriculture. IPEC doing work on awareness raising and capacity building of labour inspectorate. Child trafficking project promotes 'village watchdog committees' – the committees take care of children in the community when found by the labour inspectorate, before they return home. Health & Safety: requires a mind-set shift for people i.e. no one wears helmets. 	<ul style="list-style-type: none"> ILO open to participating in working group; would need formal invite. Suggested we contact: WIND (improvement of working & living conditions) – Claude Loiseau is covering Benin, Mali & Senegal – loiseau@ilo.org & OSH specialist in Dakar, Dr. Kalhoule kalhoule.arabaz@ilo.org