



## SUB-SAHARAN COTTON INITIATIVE



Implemented by



Federal Ministry  
for Economic Cooperation  
and Development

**giz** Deutsche Gesellschaft  
für Internationale  
Zusammenarbeit (GIZ) GmbH

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## 1. BACKGROUND

The Global Programme “Sustainability and Value Added in Agricultural Supply Chains” (GP AgriChains) is part of the special initiative “One World No Hunger” (SEWOH). On behalf of the Federal Ministry for Economic Cooperation and Development (BMZ), the programme promotes the sustainability of selected agricultural supply chains.

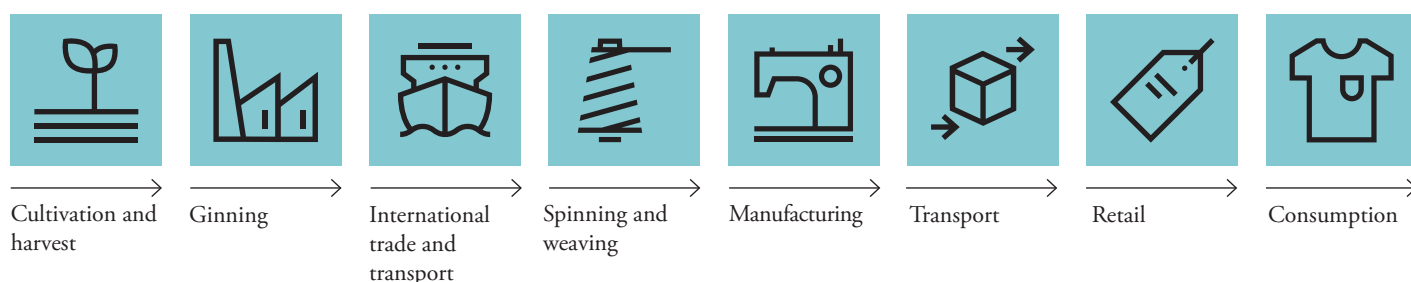
Supply chains are global – a T-shirt travels around the world from the cultivation of the cotton to the final product until it reaches consumers. In the process, it creates an ecological and social footprint in production, manufacture and transport. More transparency along supply chains as well as a fairer distribution of value creation will only be achieved if internationally trading companies, global intermediaries, raw material suppliers, international standard organisations and local partners pull together.

The cotton sector from field to gin contributes to the living of more than 40 million people in Africa. Productivity in Sub-Saharan Africa remains low, achieving only 50% of the global average yield. More than 90% of African cotton is exported as a raw material. The proces-

sing of cotton into textiles, and therefore most of the added value, is created elsewhere. There is a high potential to increase productivity in a sustainable manner and to strengthen local value creation with the aim to increase incomes and create jobs.

Driven by conscious consumers there is a growing demand for sustainably and, in particular, organically produced cotton. Global crises such as the COVID-19 pandemic have proven once more the need for more resilient supply chains. For brands and retailers, engaging in new sourcing markets and promoting innovative and long-term solutions helps to secure the supply of sustainable cotton, including organic cotton, and to build reliable networks and functioning supply chains in partner countries. It also helps to build greater transparency for risk management and marketing.

## THE COTTON SUPPLY CHAIN



## 2. OBJECTIVE OF THIS CALL FOR PROPOSALS

The Sub-Saharan Cotton Initiative is a Call for Proposals for formal or informal cooperations or other consortia, whether already established or in preparation and as further specified in item 4 below (hereinafter collectively “Consortia”), between

- (1) one or more International Companies (as defined in item 4 below),
- (2) one or more Local Entities (as defined in item 4 below) in Partner Countries (as defined in item 3 below) and
- (3) optionally, one or more International Associations (as defined in item 4 below).

The aim is to make cotton supply chains in Sub-Saharan Africa more socially and environmentally sustainable and economically viable –

from smallholder production to the international marketing of cotton or local processing. We invite Consortia to apply with their project concepts corresponding to the criteria below. A full proposal is not yet required!

Several winning Consortia may be selected. The winning Consortia will be responsible for the implementation of the proposed activities on the basis of (1) a cooperation agreement to be concluded between GIZ and the respective Consortium, (2) a grant agreement to be concluded with the Local Entity/ies and/or (3) a grant agreement to be concluded with the International Association(s).

### THEMATIC AREAS

All projects must contribute to at least one of the following thematic areas:



#### **SUSTAINABLE PRODUCTION METHODS**

Conventional cotton production methods are often related to unecological agricultural practices like the use of large amounts of pesticides, leading to soil depletion and reduced agro-biodiversity. How can sustainable production methods, including organic agriculture, mitigate those negative impacts and contribute to more social and economic sustainability like new job opportunities, better income and improved working conditions? Possible approaches are, for example, good agricultural practices and integrated pest management, supported by a better access to knowledge including basic entrepreneurial skills.



#### **IMPROVED SEEDS**

Breeding and management of high-quality seed for cotton production has been neglected in the last decades. This has resulted in an urgent need for better and adapted seed for sustainable cotton production in order to increase and stabilize fibre yield. Possible approaches focus on open pollinating, non-hybrid seed applying a farmer-based breeding and seed multiplication schemes.



#### **CLIMATE CHANGE MITIGATION AND ADAPTATION**

Climate change increasingly impacts negatively on smallholder cotton production and particularly poor rural households. How can the resilience of smallholders be strengthened in order to maintain production of cotton and to support rural livelihoods? Possible approaches are diversification, early-warning-systems and harvest insurance schemes.



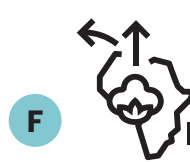
#### **LOCAL PROCESSING**

The increase of local value added through local processing can contribute to job creation and poverty reduction and strengthen national economies. Local processing can take place in the handicraft sector, but also through industrial manufacturing of fabrics and textiles for export. This requires cotton quality to correspond to international standards and the necessary technological, managerial and commercial knowledge at local level.



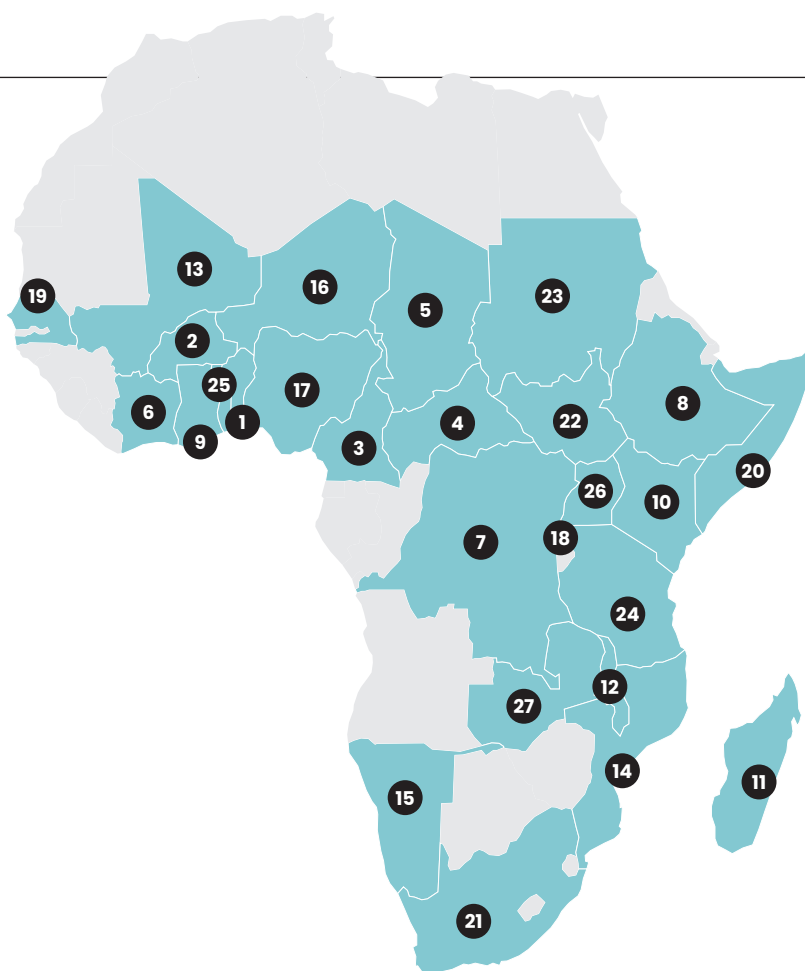
### DIGITAL TRACEABILITY

The origin of the cotton and the conditions under which it is grown are often unclear. With upcoming legal frameworks on supply chain due diligence, traceability of sustainably produced cotton gains more and more importance. Conventional mass balance systems often do not satisfy the increasing demand for more transparency. On the other hand, physical traceability methods allow tracing cotton from the retailer to the region of origin. It is important that African smallholders can increase market shares through traceability options which meet their and the retailers' needs.



### PURCHASING OF SUSTAINABLE AFRICAN COTTON

African cotton generally has a good quality and is already produced under relatively sustainable conditions, because of the mainly rainfed cultivation. For companies in the apparel and textile sector, African cotton holds a significant potential to achieve their sustainability goals. Improved support to supply chain linkages and market access, sourcing alliances and long-term contracts have the potential to boost African cotton internationally and to support local economies.



- 1 Benin
- 2 Burkina Faso
- 3 Cameroon
- 4 Central African Republic
- 5 Chad
- 6 Côte d'Ivoire
- 7 DR Congo
- 8 Ethiopia
- 9 Ghana
- 10 Kenya
- 11 Madagascar
- 12 Malawi
- 13 Mali
- 14 Mozambique
- 15 Namibia
- 16 Niger
- 17 Nigeria
- 18 Rwanda
- 19 Senegal
- 20 Somalia
- 21 South Africa
- 22 South Sudan
- 23 Sudan
- 24 Tanzania
- 25 Togo
- 26 Uganda
- 27 Zambia

## GEOGRAPHIC FOCUS

Project concepts must indicate in which Partner Country or Partner Countries the activities shall be implemented. We encourage implementation in several Partner Countries as well as regional approaches stretching across several Partner Countries.

Target countries must be among the BMZ Partner Countries in Sub-Saharan Africa as stipulated in the [BMZ reform strategy](#) (p. 7). Such "Partner Countries" in Sub-Saharan Africa are:

## 3. EXPECTED IMPACTS

All projects must contribute to at least one of the indicators listed below. Applicants shall indicate to which indicator(s) the project will contribute. Please also indicate the estimated target value(s) for the indicator(s) to which the project contributes.

1

### FARM INCOME

Number of supported farms producing sustainable cotton whose average income has increased.

- Please indicate targeted number of farms and expected income increase (in %)

2

### EMPLOYMENT SITUATION

Number of people (including young adults and women) involved in sustainable cotton and textile supply chains (e.g. producers, people working in further processing or input suppliers) who confirm that their employment situation has improved. "Improved employment situation" includes:

- a. Better working conditions;
- b. Additional jobs;
- c. More working hours (in case of underemployment) and/or
- d. Higher income.

- Please indicate targeted number of people who have improved their employment situation in at least one category (a-d), including estimated percentages of young adults and women.

3

### YIELDS PER HECTARE

Number of producers who have increased their yields (kg/ha) of sustainably cultivated cotton.

- Please indicate targeted number of producers and estimated increase in yields (in %).

4

### ACREAGE

Additional hectare of arable land on which cotton is cultivated according to internationally recognised sustainability standards, sustainable cultivation methods or national recommendation frameworks.

- Please indicate targeted increase in acreage (in ha).

5

### CAPACITY BUILDING

Number of people (including young adults and women) involved in sustainable cotton and textile supply chains (farmers, workers, entrepreneurs, etc.) whose capacities for increasing sustainability and value added have been strengthened.

- Please indicate number of people, including % of young adults and women, who have benefited from increased competencies.

6

### PURCHASING

Number of companies of the global supply chain ("international companies") who increase their purchase quantity of sustainable African cotton.

- Please indicate targeted number of companies that have increased their purchasing quantities as well as estimated increase in quantity (in tons).



## 4. WHO CAN APPLY?

Project concepts of Consortia – or Consortia in preparation – meeting the following criteria are eligible for participating in the Call for Proposals:

### CRITERIA FOR CONSORTIA

- A Consortium consists of at least two Consortium partners
- At least one of the Consortium partners is an International Company
- At least one of the Consortium partners is a Local Entity
- Optionally, one or more International Associations may participate as further Consortium partners
- The Consortium does not need to be formalized via an agreement (e.g. joint venture agreement or consortium agreement)
- International Companies or International Associations may apply even if their Consortium is not yet complete (“Consortia in preparation”). An opportunity to find Consortium partners via the matching platform Leverist will be provided. Local Entities may only apply in conjunction with an International Company or International Association.

### CRITERIA TO QUALIFY AS “LOCAL ENTITY”

- Any company, partnership, association, cooperative, foundation, organisation, research institution or NGO
- Head office or major part of activities in one or more Partner Countries.

### CRITERIA TO QUALIFY AS “INTERNATIONAL ASSOCIATION”

- Any association, organisation, partnership, cooperative, foundation, research institution or NGO active in the field of international development cooperation or having an international focus
- Head office in the EU or any other country not listed in the OECD DAC List of ODA Recipients.

### CRITERIA TO QUALIFY AS “INTERNATIONAL COMPANY”

- Any commercial company, partnership or other entity established in the EU or any other country not listed in the OECD DAC List of ODA Recipients
- Active in the trade, processing and/or procurement of cotton or cotton products
- At least two audited annual financial statements available
- At least EUR 1,000,000 annual turnover
- At least eight employees
- Sufficient financial stability and liquidity to provide the necessary own contribution.

## 5. SCOPE OF ACTIVITIES SUPPORTED

In line with the described objectives of this Call for Proposals, project concepts are expected to meet the following requirements:

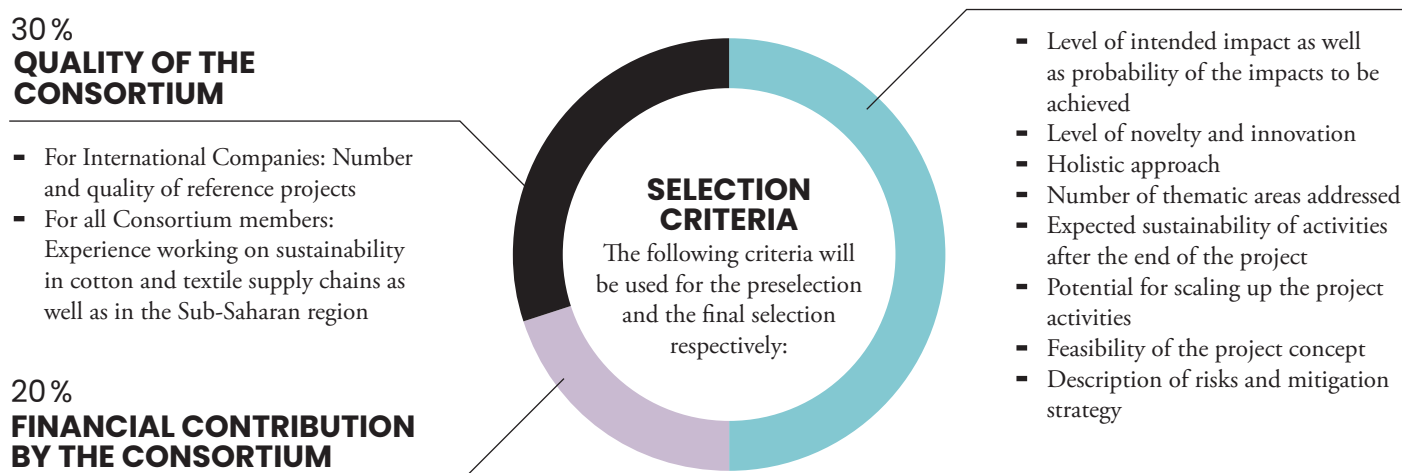
### CRITERIA FOR PROJECT CONCEPTS

- The beneficiaries of the project are cotton producing smallholder farmers and/or other stakeholders in Partner Countries working along the supply chain
- The project serves at least one of the specified thematic areas and contributes to at least one of the specified levels of impact
- The project targets beneficiaries from at least one – preferably more – of the specified Partner Countries
- The project has a duration of at least 1.5 years and a maximum of 3 years
- The total volume of the project is between 500,000 EUR and 2.5 million EUR. Large-volume projects are encouraged
- The Consortium makes an own contribution to the project. A contribution by the Consortium of 50% or more of the total volume is highly desirable and will be positively considered in the preselection (minimum contribution: 30%). This contribution can be made financially or in-kind (e.g. by assigning own personnel and other resources to the project, by realizing procurements and investments) and shall be quantified
- Each Consortium is only allowed to submit one project concept in the same constellation
- The proposed activities would not take place without the GIZ funding. The content of the project must not cover a general legal requirement that the company needs to comply with
- Activities which are already financed or supported by GIZ or other donors are not eligible for funding
- Purchases of materials and equipment can be foreseen within the project but should not exceed 30% of the total budget. At the end of the project, these purchases need to be handed over to a non-profit or public organisation. In the case of material goods that continue to be available to a private enterprise for economic use after the end of the project, only the depreciation during the contract period is eligible for reimbursement.

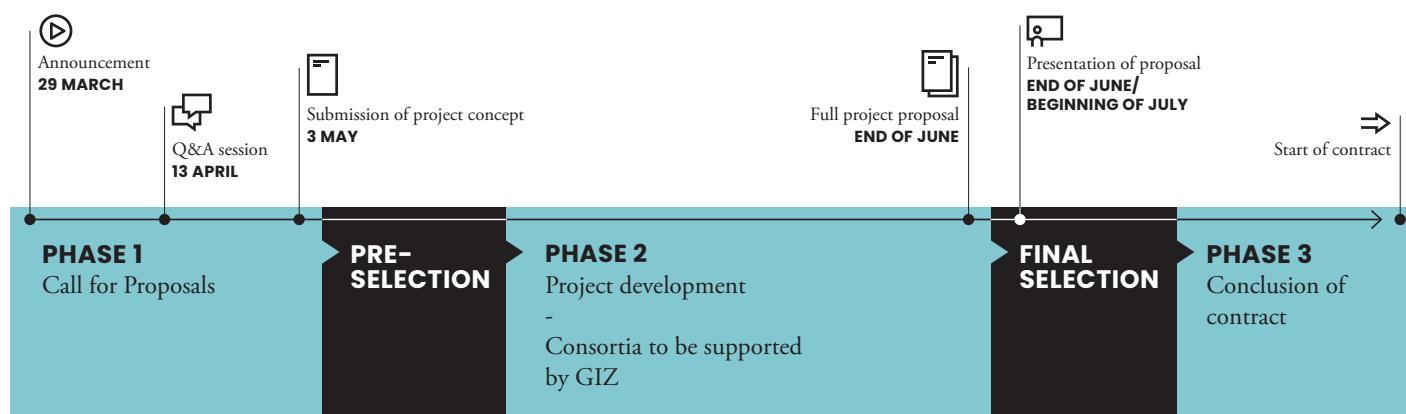
### CONTRACT AND DURATION

Depending on the proposed project concept of the Consortium, GIZ will offer the conclusion of (1) a cooperation agreement with the selected Consortium, (2) a grant agreement with the Local Entity/ies and/or (3) a grant agreement with the International Association(s). The International Company shall not receive any financial support or other benefit from GIZ, nor will GIZ place any order with the International Company in the context of the selected project. The maximum funding period is up to 3 years. The projects will ideally start implementation in August 2021.

## 6. EVALUATION AND SELECTION



## PROCESS AND TIMELINE



### CALL FOR PROPOSALS

Consortia or Consortia in preparation meeting the participation criteria (see item 4.) are encouraged to express their interest and submit a project concept through the website [www.cotton-initiative.de](http://www.cotton-initiative.de). A virtual Q&A session organised by the GP AgriChains will be offered on Tuesday, 13 April 2021 at 12:00 CEST to clarify any open questions. The link to the Q&A session will be posted on the website.

### PRESELECTION

A selection committee consisting of members of BMZ, GIZ as well as international cotton and textile experts from academia and practice, will shortlist up to 10 Consortia based on the selection criteria.

### PROJECT DEVELOPMENT

The preselected Consortia will then elaborate their concepts into a full project proposal. The GP AgriChains will offer an equal amount of support, e.g. on administrative requirements, to all Consortia.

### FINAL SELECTION

The Consortia will submit the full project proposal and present their project to the selection committee. The final decision will be taken by the selection committee based on the selection criteria. Several projects may be selected. The result shall be announced by email within one week after the presentation.

### CONCLUSION OF CONTRACT

For each selected Consortium, GIZ will offer the conclusion of (1) a cooperation agreement with the selected Consortium, (2) a grant agreement with the Local Entity/ies and/or (3) a grant agreement with the International Association(s).

### SUBMISSION PROCESS

Applicants who are interested in submitting their project concept must complete the specific form on the website [www.cotton-initiative.de](http://www.cotton-initiative.de) and submit it before the deadline on Monday, 3 May 2021 at 23:59 CEST. All applications must be submitted in English.

## 7. ADDITIONAL TERMS AND CONDITIONS

- The Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH with headquarters in Eschborn and Bonn ("GIZ") is the organiser of the Sub-Saharan Cotton Initiative.
- Participation in this Call for Proposals does not constitute an entitlement to conclude a contract with GIZ nor to receive any financial contribution from GIZ.
- GIZ reserves the right to exclude participants who provide false or incomplete information, use unauthorized aids or who otherwise violate the conditions of participation from participating in the Sub-Saharan Cotton Initiative without giving reasons. In such a case, it is also possible that financial contribution by GIZ may be subsequently withdrawn. GIZ will ask for a statement in case of suspicion. If this remains unanswered, GIZ reserves the right to exclude the participant from the Call for Proposals.
- If a selected Consortium does not take advantage of the financial contribution, GIZ reserves the right to decide at its own discretion what to do with the financial contribution.
- GIZ reserves the right to react transparently to unforeseen circumstances by changing or cancelling the Call for Proposals, especially in the event of manipulation or if the execution of the Call for Proposals is endangered.
- Should any clause of these terms and conditions be invalid, the validity of the remaining terms and conditions shall remain unaffected.
- Recourse to the courts is not permitted.

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