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THE PAKISTAN COTTON SUPPLY CHAIN MAPPING REPORT

ELEVATE's Global Trace Protocol (GTP) Project

**For The Bureau of International Labor Affairs (ILAB),
U.S. Department of Labor (USDOL)**

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ACRONYMS AND ABBREVIATIONS

Name	Description
APTMA	All Pakistan Textile Mills Association
BCI	Better Cotton Initiative
BLSA	Bonded Labor System (Abolition) Act
CPUs	Child Protection Units
CSO	Civil Society Organization
DAE	Department of Agriculture Extension
ECA	Employment of Children Act
ERP	Enterprise Resource Planning
ESG	Environmental, Social and Governance
EU & USDA-NOP	European and United States Department of Agriculture National Organic Program Standards
FIR	First Investigative Reports
FY	Fiscal Year
GE	Genetic Engineering
GTP	Global Trade Protocol project
HS Code	Harmonized Commodity Description and Coding System
ILAB	Bureau of International Labor Affairs
ILO	International Labor Organization
KPK	Khyber Pakhtunkhwa
LHRD	Punjab Labour and Human Resource Department
MOA	Ministry of Agriculture
MY	Market Year
MHA	Million-hectare Liters
NTP	National Textile Policy
OECD	The Organisation for Economic Co-operation and Development
OHS	Occupational Safety and Health
PCGA	Pakistan Cotton Ginners Association
PCSI	Pakistan Cotton Standards Institute
PRECA	Punjab Restriction on Employment of Children Act 2016
PRGMEA	Pakistan Readymade Garments, Manufacturers & Exporters Association
PTEA	Pakistan Textile Exporters Association
SAQ	Supplier Self-Assessment Questionnaire
SKU	Stock Keeping Unit
SME	Small-Medium Enterprise
TCP	Trading Corporation of Pakistan
WFCL	Worst Forms of Child Labor
WWF	World Wildlife Fund
YESS	Yarn Ethically and Sustainably Sourced

EXECUTIVE SUMMARY¹

Given that labor rights progress has partly stalled,² the reduction of child and forced labor in global supply chains requires the development of new approaches, including the use of traceability protocols and tools. To support the design and implementation of such approaches, this Report maps Pakistan's cotton supply chain from the farms to ginners, spinners, and manufacturers (knitting, weaving, assembly) and outlines its traceability landscape. It also analyzes Pakistan's labor rights and legal system, the prevalence of child labor and forced and bonded labor with their associated risks, identifies key labor and business stakeholders, and summarizes traceability limitations and capacity. Based on this information, the Global Trace Protocol project (GTP), implemented by ELEVATE in collaboration with Diginex, is piloting one such cotton protocol and tool in Pakistan.

Supply chain traceability has grown in scope and depth in the past decade because governments, brands, investors, consumers, workers, and other civil society actors have demanded it. After the final stage in Pakistan, the products are shipped globally, and imported by finished-good manufacturers and retailers around the world, with the growing expectation of demonstrated assurance that such goods were not produced through exploitative labor practices.

The Report's Section One provides an overview of Pakistan's cotton sector, including a review of its cotton economy, law and policy; trade price and dynamics; and the traceability landscape. It notes the central role that "white gold" has played since its production in the Indus River Valley 3,000 years ago through the Pakistan government's recent approval of its National Textile Policy 2020-2025 (NTP). Cotton and textile products have long been a pillar of Pakistan's economy. For example, in fiscal year (FY) 2021-2022, combined cotton and textile products made up about 55-60% of Pakistan's total export value, rebounding to pass US\$ 15.4 billion, up from recent shortfalls (e.g., \$13.33 billion in 2018). With its recently adopted National Textile Policy 2020-2025 (NTP), the government of Pakistan has an ambitious plan to double cotton production to US \$40 billion by the end of FY 2025. The total apparel sector employs about 10 million people, with about 1.5 million in cotton farming.

Cotton production is concentrated in Punjab Province (66%) and Sindh Province (33%) with remaining production found in Baluchistan (1%), nearly all of which is organic. Because pesticides have been widely used in Punjab and Sindh, the introduction of organic cotton in those provinces is more challenging due to organic certification requirements, including transition periods. The number of registered ginning units total between 1,100 and 1,400 with about 60% in Punjab and 40% in Sindh and only about 550 operational in 2021 (partly due to demand).³

Section One also provides a summary explanation of trade and price dynamics with imports and exports. Cotton prices have been volatile: while prices for cotton had plummeted near all-time lows in 2020, they sharply reversed course in 2021 and into 2022, rising to all-time high rates for Pakistan. Regarding the traceability landscape, the sector is broadly split into "conventional" and "certified" cotton. Bale identification codes, commonly assigned at ginning units, help support traceability. Bales IDs are used in Pakistan, although there is no government managed bale ID database, as found in other countries. Notable certification programs in Pakistan involve the Better Cotton Initiative (BCI), CottonConnect, and the World Wildlife Fund-Pakistan.

Section Two describes and analyzes the cotton supply chains tiers, provides a map, and identifies key actors in Pakistan's cotton supply chain. It addresses cotton farming and farm models; farm-level steps (storage, transport, and trade) ginning; and spinning and manufacturing (knitting, weaving and assembly) steps. With a particular focus on the cotton growing provinces of Punjab and Sindh, the Report highlights the fact that small farms on less than five hectares (12.4) acres produce 90% of Pakistan's raw cotton, posing a substantial challenge to traceability and labor rights monitoring. Both farmer-owned and tenancy arrangements are common, with nearly all land (99%) privately owned. Large scale farms, despite their advantages in economies of scale and access to resources, still account for only about 10% of production. The virtues of cooperative farming have been promoted, though the 130 cooperative farming societies are relatively limited in their coverage.

Section Three on Labor Rights in Pakistan addresses Pakistan's complex system of labor rights and law, with a discussion of the ratified International Labor Organization (ILO) Conventions and Pakistan's Decent Work Programme. It further analyzes Pakistan's system of labor rights, including its Constitutional labor rights protections and its devolution of labor and child welfare laws and enforcement bodies from the federal government to provincial governments. It provides a detailed analysis of the relevant laws in Punjab and Sindh, with reference to federal laws as well. As it notes, effective enforcement is limited because labor inspections are not conducted for child and bonded labor at the farm level and the provincial bodies lack sufficient resources to fully administer the laws that they are charged with implementing. It further discusses the prevalence of child labor and forced (bonded) labor in Pakistan and the role of key stakeholders, including worker and employer organizations and NGO's.

1. The authors of this Report include GTP Project Director Jeffrey Wheeler and Technical Lead Jon Ellermann, with technical input from the GTP Pakistan Project Manager Muhammad Abdullah.

2. See for example, ILO and UNICEF, Child Labour: Global Estimates 2020, Trends and the Road Forward (2021) ("Global progress against child labour has stalled for the first time since we began producing global estimates two decades ago" p. 8).

3. Organic transition periods for organic certification standards used in Pakistan (USDA/NOP and EU organic standards) are approximately three years. See USDA, Making the Transition to Organic Production and Handling (2015).

Section Four on Traceability Limitations and Capacity, briefly identifies resource and technology constraints related to capacity for traceability implementation. It also identifies capacity building and technical support needs at the farming, ginning, and spinning levels.

Section Five provides a brief conclusion.

Annex I: examples of cotton traceability data points

Annex II: list of key stakeholders

1. PAKISTAN'S COTTON SECTOR

1.1 OVERVIEW OF PAKISTAN'S COTTON SECTOR

The cotton sector has long played a central role in Pakistan's history, culture, and economy, beginning about 3,000 years ago with production in the Indus River Valley, resulting in cotton being viewed as "white gold" and the "silver fiber."⁴ Below, the Report summarizes Pakistan's cotton economy, law and policy and describes the country's cotton production infrastructure and system. We end this section with a brief overview of the traceability landscape in Pakistan.

1.1.1 PAKISTAN'S COTTON ECONOMY, LAW AND POLICY

The government of Pakistan has a strong commitment to increasing cotton yields and expanding textile and apparel exports, both in total volume as well as global market share. The textile and apparel sector is the largest sector in Pakistan, accounting for approximately 40% of the industrial labor force⁵ employing about 10 million people, including 1.5 million farmers growing cotton for the textile industry.⁶

Combined cotton and textile products make up about 55-60% of Pakistan's total export value.⁷ The total value of textile and apparel exports surpassed US\$15.4 billion during fiscal year (FY) 2021-22, the highest record ever for exports, after missed targets in prior years.⁸ Pakistan is the fifth largest producer of cotton in the world.⁹

In December 2021, the Government approved its National Textile Policy 2020-2025 (NTP) to support its goal of "strategic, sustainable, and responsible economic growth," achievable in part by "conforming to regulatory and compliance standards," improving integration into global value chains, and implementing an E-commerce strategy.¹⁰ Approval had been delayed to better address some root causes of missed prior export targets, including the use of energy subsidies and other support.¹¹ The energy subsidies, however, were pulled back in 2022 to meet International Monetary Fund (IMF) loan conditions.¹²

The new NTP establishes ambitious targets of US \$20 billion in export value in FY 2021-2022 growing to US \$40 billion in FY 2024-2025. In addition, the European Union's extension of its Generalized System of Preferences-Plus program to Pakistan is expected to act as a stimulus for higher cotton consumption.

Official Pakistan Bale Measurement

Bale of Raw Cotton: 170 kg/375 lbs.

Bale of Cotton Yarn: 182.44 kg/400 lbs.

Bale of Cotton Cloth: 1500 Square Yards

Pakistan's cotton production had been in steep decline since market year (MY) 2014-2015, when cotton output was at a high.¹³ The output decreased 61% between that year and (MY) 2020-2021. The decline has been attributed to climate change, the narrow genetic base of cotton germplasm, and inaccessibility to the latest generations of genetic engineering (GE) cottonseed.

4. See The [Story of Cotton](#), Website, 2022.

5. Samavia Batool, Fahad Saeed. "Mapping the cotton value chain in Pakistan: A preliminary assessment for identification of climate vulnerabilities & pathways to adaptation". 2017. See [\(PDF\) Mapping the cotton value chain in Pakistan: a preliminary assessment for climate vulnerabilities and pathways to adaptation](#) ([researchgate.net](#))

6. U.S. Department of Agriculture, Foreign Agriculture Service. Cotton and Products Annual Report – Pakistan. (April 02, 2021). Found at <https://www.fas.usda.gov/data/pakistan-cotton-and-products-annual-5>

7. National Textile Policy 2020-2025, p.2. See also Batool, Saeed. 2017.

8. National Textile Policy 2020-2025, p.2. For example, the total value of textile and apparel exports was \$US 13.33 billion in 2018. See [Textile Policy 2020-25: Pakistan to increase textile exports to \\$25.3 bn by 2025](#) ([thenews.com.pk](#))

9. Ibid at 5.

10. National Textile Policy 2020-2025, pp. 2, 10.

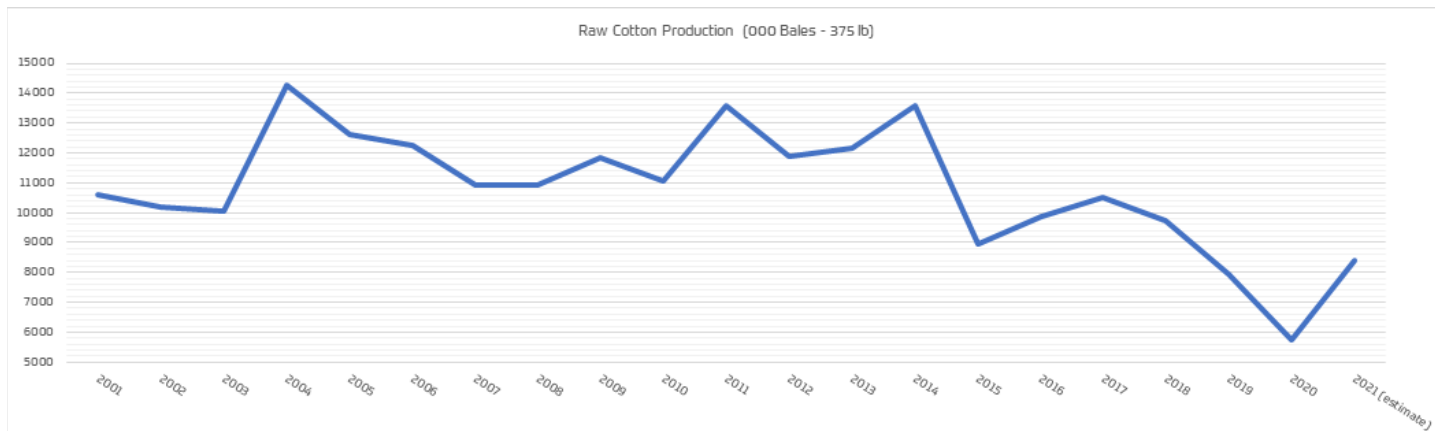
11. See The Business Tribune, [Pakistan New Textile Policy 2020 – 2025 Positive for Sector](#), Dec. 29, 2021. See Policy, p. 8. Oversight of the cotton sector was shifted from the Textile Industry Division to the Ministry of National Food Security and Research (also known as Ministry of Agriculture) in 2018. FCA includes membership from MNFS&R, Provincial Agriculture Departments, and the State Bank of Pakistan among others.

12. Bloomberg News: IMF and Pakistan to Continue Talks for Review of Suspended Loan (May 25, 2022).

13. Official bale sizes of raw cotton differ between country. While officially stated to be 170kg for statistical purposes, Pakistan cotton bale weights range from 155 Kg to 170 Kg.

Other factors negatively impacting cotton production include pest infestations, extreme weather events including the increase in devastating floods that have destroyed much of the cotton crop, including in 2020 and 2022, which are likely to continue given climate change, and in 2020, flooding that ruined nearly 1 million cotton bales.¹⁴ Economic losses due to such events have been especially detrimental to small and marginal cotton farmers.¹⁵ Some farmers have shifted to other crops such as sugarcane, maize, and rice, which have experienced higher margins and less volatility in recent years. The area planted for cotton dropped from 2.95-million-hectare liters (MHA) (volume of water one meter deep covering one hectare) to an estimated 2.2 MHA in 2021, a decrease of 25 percent over a seven-year period.¹⁶ In response to decreased domestic cotton production, Pakistan's textile and apparel manufacturers increased cotton imports. The new National Textile and Apparel Policy, 2020-2025 (NTAP) aims to correct these hurdles to domestic cotton production.

Figure 1: Cotton Bale Production



Conventional cotton is largely produced in two provinces: Punjab accounts for 66% and Sindh for 33% of national cotton production.¹⁷ Cotton farming and its associated land-use covers approximately 14% of the total cropped area of Pakistan.¹⁸ The major cotton producing districts are clustered around Punjab's southern region with Rahim Yar Khan, Bahawalpur, Vehari, and Multan Districts accounting for much of the Punjab cotton.¹⁹ Beyond cotton used for textiles, cottonseed is also valuable co-product of raw cotton, which is further processed to produce seed oil ("banola oil") and seedcake for animal feed and fertilizer.²⁰

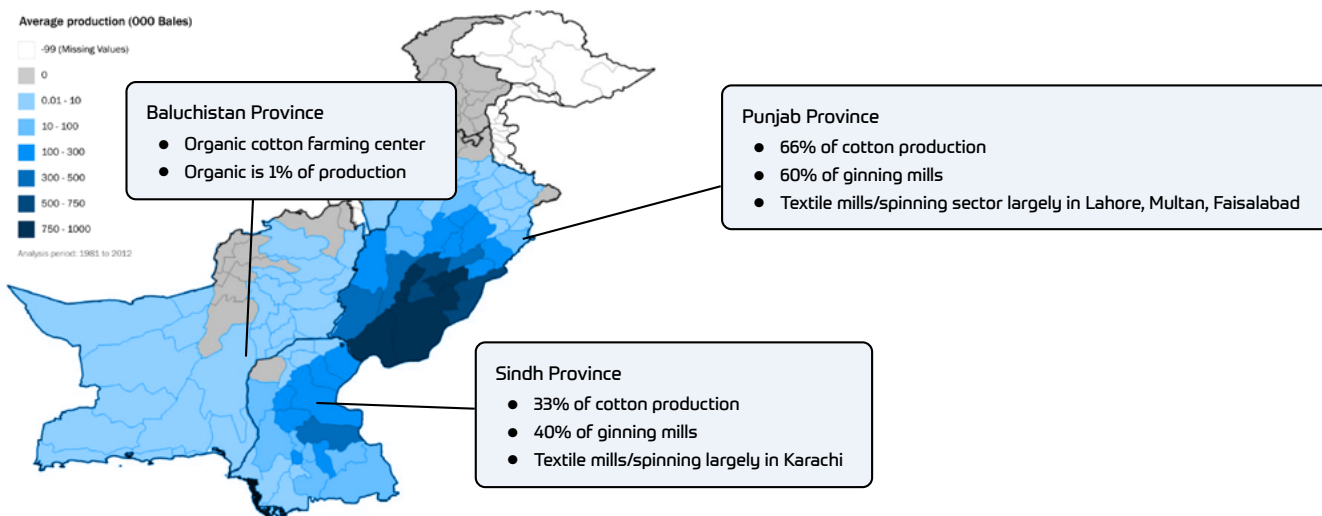
Ginning, the process to convert seed cotton into lint cotton bales and cottonseed oil, is also almost exclusively performed in Punjab and Sindh Provinces. The total number of ginning units in the country is between 1,100 and 1,400, depending on whether unregistered units are tallied. There are approximately 1,000 registered ginners and 300 informal/unregistered units. Over 99% of the country's registered ginners are located in Punjab or Sindh, separated into two zones according to geography 1) the North Zone (largely Punjab) with 640 registered ginning units and members and 2) the South Zone (largely Sindh Province) with 159 registered ginning units and members.²¹ In 2020, only 442 of these units were fully or partially functioning, according to the Pakistan Cotton Ginners Association, partly due to the season's decreased yields. In addition, many ginners remain registered to ensure that they are eligible to participate in the PCGA's elections for its Central Election Committee, which plays an important role in representation.²² In 2021, approximately 550 ginning units were operational, responding to demands for increased production.²³ These ginning units convert an estimated 8 million bales per year.²⁴

14. See New York Times, [Deadly Floods Devastate an Already Fragile Pakistan - The New York Times \(nytimes.com\)](https://www.nytimes.com/2022/08/29/world/asia/pakistan-floods-cotton.html), Aug. 29, 2022. See also The News International, [Rare rains likely to suppress cotton output this year](https://www.thenewsinternational.com/news/2022/08/08/rare-rains-likely-to-suppress-cotton-output-this-year/), Aug. 8, 2020.
15. Caesar B. Cororaton and David Orden. International Food Policy Research Institute. Pakistan's Cotton and Textile Economy Intersectoral Linkages and Effects on Rural and Urban Poverty. 2008. "Marginal farmer" refers to a farmer cultivating (as owner, tenant or sharecropper) agricultural land up to 1 hectare (2.5 acres); 'small farmer' refers to a farmer cultivating (as owner, tenant or sharecropper) agricultural land of more than 1 hectare. See [marginal farmer - Wiktionary](https://en.wikipedia.org/wiki/Marginal_farmer).
16. U.S. Department of Agriculture, Foreign Agriculture Service. Cotton and Products Annual Report - Pakistan. p.2 (April 02, 2021).
17. Ibid.
18. Ibid.
19. Batool, Saeed. 2017.
20. Batool, Saeed. 2017.
21. [Pakistan Cotton Ginners Association](https://www.pcgaindonesia.com/Member-List-2019-20/) Member List 2019-20.
22. See PCGA Election 2022-23 - PCGA.
23. Pakistan Cotton Ginners Association, 2021.
24. Nawab, T and Rafiq, A., National Textile University, Faisalabad, Pakistan, WWF-Pakistan and ILO. [Production and Export of Technical Textiles: Harnessing the Potential in Pakistan](https://www.ilo.org/publications/production-and-export-of-technical-textiles-harnessing-the-potential-in-pakistan), p. 22 (undated, project EU funded 2016-2022).

Pesticides are widely applied and often overused in Pakistan’s conventional cotton sector.²⁵ Organic certified cotton, without the use of pesticides, in Pakistan is a relatively new phenomenon. The first certified organic bales were exported in 2019, supported by a partnership between WWF-Pakistan, the Directorate of Agriculture Extension of Baluchistan, and the C&A Foundation.²⁶ Organic cotton constitutes only about 1% of total national production. In the province of Baluchistan however, it makes up a larger share of production.²⁷ Of the 145,750 total bales (PCGA Pakistan) produced in in Baluchistan, about 37,000 bales were certified organic in 2020.

Baluchistan’s provincial government has sought to make the province a hub for organic agriculture, especially cotton. Baluchistan’s farmland is well suited for organic cultivation due to the historic lack of the use of pesticides, combined with a landscape with buffer zones that deter pest swarms moving between crops. Despite the ideal growing conditions for organic cultivation, a lack of local ginning capacity restricts growth. The Ministry of National Food Security and Research to has released funding to promote sustainable agriculture growth, to enhance per-acre crop output of major crops, oil seeds and natural resource conservation. This included a Rs200 million investment in 2022 for “horizontal development of cotton in Khyber Pakhtunkhwa and Baluchistan through capacity building, technology transfer and ginning facilitation.”²⁸

Figure 2: Key Cotton Growing Provinces



The yarn spinning, knitting and weaving industries are dominated by small to medium enterprises (SMEs), mostly located in Faisalabad and Karachi.²⁹ Cotton lint is twisted together to make yarn in the spinning process. Weaving and knitting mills take sets of yarn, interlacing them to create continuous pieces of fabric.³⁰ The textile industry comprises of 517 textile units as of 2021, with 40 composite units and 477 spinning units.³¹ The Pakistan cotton supply chain tiers are explored in more detail in Section Three.

Figure 3: Pakistan Cotton Supply Chain



25. CABI. Pakistan National Organic Cotton Policy GAP Analysis. 2021. According to CABI, of the total pesticides sprayed in Pakistan 80% are used on cotton crops. Cotton growers often apply too much due to the belief that high doses increase crop production.

26. The project aims to meet EU & USDA-NOP organic standards. <https://www.textileworld.com/textile-world/2019/02/pakistans-first-certified-organic-cotton-bale-a-major-breakthrough-in-pakistans-cotton-sector/>

27. CABI. Pakistan National Organic Cotton Policy GAP Analysis. 2021.

28. <https://nation.com.pk/2022/05/18/govt-releases-rs7-76b-for-agri-sector-development-projects/>

29. Batool, Saeed. 2017.

30. <https://www.textileproperty.com/what-are-the-differences-between-spinning-and-weaving/>

31. Source; Textile Commissioner’s Organization, Karachi, Government of Pakistan.

1.1.2 TRADE AND PRICE DYNAMICS

The price of raw cotton in Pakistan hinges on a variety of factors including global commodities prices, futures markets, and demand for Pakistani cotton from international buyers. Cotton prices have been volatile in the past few years. In 2020, prices for cotton had plummeted to near all-time lows. In 2021, the price sharply reversed course, rising rapidly and leading to “all-time high rates for Pakistan.”³² Escalating shipping costs, growing demand, and the US import prohibition on goods made in whole or part with cotton produced by forced labor from China’s Xinjiang province have contributed to the rising cotton prices.³³ In 2022, the prices surged even higher, about double the 2020 prices.³⁴

The Pakistan Cotton Ginners Association (PCGA) set the local market price for ginners based on the international raw cotton price, the Karachi Cotton Association’s spot price, and the domestic price of cottonseed oil.³⁵ Large farms may influence prices when selling to ginners, typically falling near the Pakistan Cotton Ginners Association price. Small farmers, however, have less control over price, which is often set by middlemen (artis) or by the gins, who pay less than the market price.³⁶

The Ministry of Commerce usually directs the Trading Corporation of Pakistan (TCP)³⁷ to procure a certain amount of cotton from farmers (typically around 1 million bales) as per the intervention price, which is kept higher than the prevailing market price. According to some cotton experts, it is not an effective strategy because it benefits only a small proportion of cotton growers, particularly large and influential farmers.³⁸ After ginning, cotton bales are sold to spinners directly or through trading companies, at a price based on fiber quality, including grade, staple, and character (see box).

Farmers have benefited from the recent price increases: “higher cotton prices are significantly raising the income of farmers” according to media reports and press briefings.³⁹ For spinners and mills, however, the rising cotton prices have made forecasting and purchasing more challenging,⁴⁰ with concerns that spinners and mills will not be able to sell their good at rates that cover these surging cotton rates. The risk of stockpiling cotton supplies at these high prices may prove unwise in the event of a rapid price drop. These stockpiling risks are leading to smaller than average inventories.⁴¹

Figure 4: Determinants of Fiber Quality

Grade refers to color, brightness, and amount of foreign matter.

Character refers to diameter, strength, body, maturity, and smoothness of the fibers.

Staple refers to the fiber length.

32. In October 2021, the cotton futures price rose to nearly US\$ 1.33 per pound surging past US\$1 for the first time in a decade. By another measure, the rate rose from a low of about Pr8,800 PR per “maund” (40kg) in 2020 to Pr10,500, then to Pr14,500 for a period in 2021. See The Express Tribune: Cotton Price Hits Record High (Oct 7, 2020).

33. <https://www.fibre2fashion.com/news/textile-news/high-cotton-prices-cause-apparel-costs-to-surge-globally-276677-newsdetails.htm>

34. Pakistan Today: Cotton Prices Breech Rs20,000 per 40 Kg Mark (January 11, 2022) .

35. Batool, Saeed. 2017.

36. Batool, Saeed. 2017.

37. In 1967, TCP was set up as a private company, owned by the Ministry of Commerce.

38. Ibid.

39. Statement by Federal Minister for National Food Security and Research Syed Fakhar Imam <https://tribune.com.pk/story/2325447/pakistan-to-surpass-cotton-harvest-target>

40. Statement by Federal Minister for National Food Security and Research Syed Fakhar Imam <https://tribune.com.pk/story/2325447/pakistan-to-surpass-cotton-harvest-target>

41. Batool, Saeed. 2017.

Imports

Pakistan imports a considerable amount of cotton (in bale form) and cotton yarn from USA, India, Brazil, China, Turkey, and other countries for use in its cotton supply chain. In Pakistan, there is a demand for imported, high-grade cotton and cotton yarn, to support the production of export-quality textile products due in part to a lack of particular type of seed in Pakistan required for it.⁴² Pakistan imported 472,000 metric tons of cotton yarn during the fiscal year 2019-20,⁴³ down from an all-time high of 599,000 tons in MY 2016-17. Pakistan maintains minimal tariff restrictions on cotton imports, in the form of a 3% regulatory duty. However, there is a tendency to impose additional tariffs during harvest period to limit the flow of cotton to maintain domestic prices.⁴⁴ In contrast, its cotton imports increased by 67% compared to 2019, totaling \$1.39 billion.

Exports

Pakistan exports cotton in raw, semi-finished, and textile form to countries around the world, including China, the United States, Bangladesh, UK, Turkey, and the EU countries.⁴⁵ Pakistan's apparel industry is bifurcated between a set of large firms that generate 90% of the exports, and rest of the supply chain, characterized by thousands of smaller, local SMEs that access international markets in lesser volumes or provide support to these larger firms.⁴⁶ Pakistan's textile export product range is narrow, with 97% of the textile exports in four product groups (HS Code⁴⁷ 52 (cotton yarn and fabric), 61 (knitted apparel), 62 (apparel, not knitted) and 63 (bedding/linens)).⁴⁸

Traceability Landscape

The cotton sector globally can be split into “conventional” cotton and “certified” cotton. In the conventional cotton trade in Pakistan – meaning not certified through an on-the-ground eco-label or sustainability certification program – cotton bale IDs are commonly assigned at ginning units. IDs written or affixed to bales are used to support the sale and trade of cotton bales between ginners, traders, and spinners. Unlike in some countries, Pakistan does not have a government managed database for bale IDs that can be used to support traceability, as is found in some other countries.⁴⁹ Bale identification can be used to support traceability in certification programs. Ginners often segregate heaps of cotton seed into specified lots, to allow for certified cotton and conventional cotton processing at the same facilities. This makes the identification and segregated storage of both heaps of cotton seed and bales of cotton lint necessary. Ginner processing is explained more in Section 1.4.

Certification programs, which are also sometimes referred to as sustainability or eco-label programs, define the controls on the movement of material or products, and associated sustainability data, from approved or certified businesses through each stage of the supply chain. Traceability can either be a mandated program requirement or an optional add on; used to support the sustainability claims that each program makes. Some programs require product segregation from farm to mill, which does not allow for mixing of certified and non-certified cotton. Other programs allow for mixing of certified and non-certified cotton using the mass balance chain of custody model at specific tiers of the supply chain, commonly the yarn spinner. Certified cotton represents a substantial and growing percentage of all cotton grown in Pakistan. In 2020 about half of Pakistan-grown cotton was certified through a certification program, with the vast majority by the world's largest sustainable cotton initiative, Better Cotton Initiative (BCI).⁵⁰

42. USDA Foreign Agriculture Service. Cotton and Products Annual Report – Pakistan, April 02, 2921.

43. Pakistan Bureau of Statistics, 2020.

44. USDA Foreign Agriculture Service. Cotton and Products Annual Report – Pakistan, April 02, 2921.

45. Source: <https://trendeconomy.com/data/h2/Pakistan/>

46. Stacey Frederick 2019.

47. The Harmonized Commodity Description and Coding System (HS Code) is a method to standardize the identification of product types and used by customs authorities globally. See [Understanding the HS Codes and Schedule B](#).

48. Nawab, T and Rafiq, A., [Production and Export of Technical Textiles: Harnessing the Potential in Pakistan](#), p. 43.

49. In the United States the USDA Agricultural Marketing Service used a Permanent Bale Identification system. In India, the TraceNet service is offered by the Agricultural & Processed Food Products Export Development Authority (APEDA).

50. May 2022 GTP conversation with BCI staff.

Better Cotton Initiative (BCI)

BCI is the largest such certification program operational in Pakistan. BCI has more total farmers (460,000) and total production under program certification (906,000 tons) than any other program combined.⁵¹ BCI relies on a set of international and local NGO implementing partners responsible for project implementation at the farm and ginner level in Pakistan.⁵² Better Cotton works with software solutions provider ChainPoint to host the “Better Cotton Platform (BCP).”⁵³ The BCP is an online platform where volumes of certified products are tracked from ginners to yarn spinner. In the BCI program, between the farm and gin, cotton is segregated from conventional cotton, and must come from BCI certified farmers. BCI farmers must harvest, store, transport, and gin separately from conventional cotton, and cannot be mixed or substituted from farm to gin. Mixing or substitution is not permitted until spinning, when product segregation requirements are no longer mandated, and mass balance and certificate trading models are used.

As Better Cotton is bought and sold along the supply chain, credits called “Better Cotton Credit Units” (BCCUs) are recorded through the BCP. This administrative traceability approach allows Better Cotton to ensure that the number of credits sold corresponds to the amount of production certified. In a 2022 announcement, BCI stated that they are working to “develop mechanisms that support ‘full traceability’ throughout the entire supply chain. Full traceability would allow us to, at minimum, determine the region in which the seed cotton was produced and identify the businesses involved in its transformation to a finished good.”⁵⁴ Two of BCI’s publicly listed implementing partners, CottonConnect Pakistan and WWF-Pakistan, also have their own separate initiatives that do not connect to the Better Cotton Platform and maintain different traceability standards.

For country level risk assessment of labor conditions, the Better Cotton Initiative (BCI) has developed a “Global Forced Labour Risk Assessment Methodology,” which uses both external and internal sources to assign country risk ranking. Pakistan is ranked as High Risk for forced labor, influenced by contextual risk factors such as pervasive poverty and weak governance institutions, particularly in the agricultural sector.⁵⁵ In 2020, BCI’s Task Force on Forced Labour and Decent Work, made up of industry experts, reviewed the BCI approach and developed recommendations for “identifying, preventing, mitigating, and remediating” forced labor risks.⁵⁶ For 2020-2027, BCI is phasing in the recommendations from the Task Force in their updated Decent Work Strategy into their labor management systems.⁵⁷

CottonConnect

CottonConnect, based in London has field offices in Pakistan, India, Peru, Egypt, and China, offers services for responsible cotton sourcing. In addition to their support of BCI, they have their own distinct “Sustainable Agricultural Programs,” with their own Codes of Conduct: The REEL Cotton Programme and the REEL Regenerative Programme. According to CottonConnect, the REEL Regenerative Code was created to supplement the REEL Cotton Code to “meet increasing desire from brands to introduce regenerative agriculture practices into raw material production.”⁵⁸ CottonConnect has worked closely with the multinational fashion retailer Primark, who has supported CottonConnect since 2013. The NGO REEDS helps with implementation of their work on the ground in Pakistan, including support to farmer training.

CottonConnect offers cotton traceability services to clients through a sister organization, TraceBale, as part of these programs. In the TraceBale system, suppliers capture and enter transactional information and upload supporting documents. The system follows the product segregation chain of custody model system and generates unique product IDs with QR codes for final products. The QR code can be scanned to provide visibility back to the farm group level. TraceBale has both a web interface and mobile application to feed the data.

CottonConnect has a set of social conditions embedded in their REEL Cotton Code of Conduct 3.0, that are intended to provide a “verifiable, private standard” to which participating organizations are to comply using an appropriate and effective management system. The labor elements of the code include freedom of association (ILO 87), collective bargaining (ILO 89), prohibition of forced labor (ILO 29 & 105), prohibition of child labor (ILO 138), prohibition of worst forms of child labor (ILO 182), warranty of occupational safety, employment conditions, no discrimination in the workplace (ILO 111).⁵⁹

51. 2018-2019 figures <https://stories.bettercotton.org/bci-farmer-results--2018-2019/#group-Pakistan-HqinGlxNw8>

52. Lund-Thomsen, P., Riisgaard, L., Coe, N. M., Singh, S., & Ghori, S. (2018). Bridging Global Standard Requirements and Local Farmer Needs: Implementing Partners of the Better Cotton Initiative in Pakistan and India. Copenhagen Business School. CBDS Working Paper No. 1, 2018.

53. ChainPoint <https://www.chainpoint.com/our-customers/better-cotton-initiative/>

54. <https://bettercotton.org/what-we-do/connecting-supply-demand-chain-of-custody/>

55. BCI. Global Forced Labour Risk Assessment Methodology (2021).

56. BCI. [Task Force on Forced Labour and Decent Work \(2020\)](#).

57. BCI. Decent Work Strategy (2022).

58. CottonConnect - Development of REEL Codes - <https://www.cottonconnect.org/resources-hub/https://static1.squarespace.com/static/5ff5d85f409193661a071749/t/6166e36b04873234acf14a08/1634132845686/developmentofreelcodes-august2021.pdf>

59. CottonConnect. REEL Cotton - Code of Conduct 3.0 (2020).

The World Wildlife Fund (WWF-Pakistan)

WWF-Pakistan has an organic initiative, largely based in Baluchistan, with a goal to scale to other provinces. WWF-Pakistan and Laudes Foundation (formerly the C&A Foundation), in collaboration with Department of Agriculture Extension of Baluchistan, began work on organic cotton together in 2016. The program supports farmers who have, or are in the process of, converting to certified organic practices under EU & USDA-NOP organic standards. The denim mill Artistic Milliners and German software company ReTraced, are collaborating together to trace organic cotton in a pilot project, using a product segregation approach, through ReTraced's platform.

While the WWF program follows organic standards, additional social conditions are not built into the pilot project, beyond WWF's standard safeguarding policies.⁶⁰

60. WWF. Child Safeguarding and Protection Policies (2021).

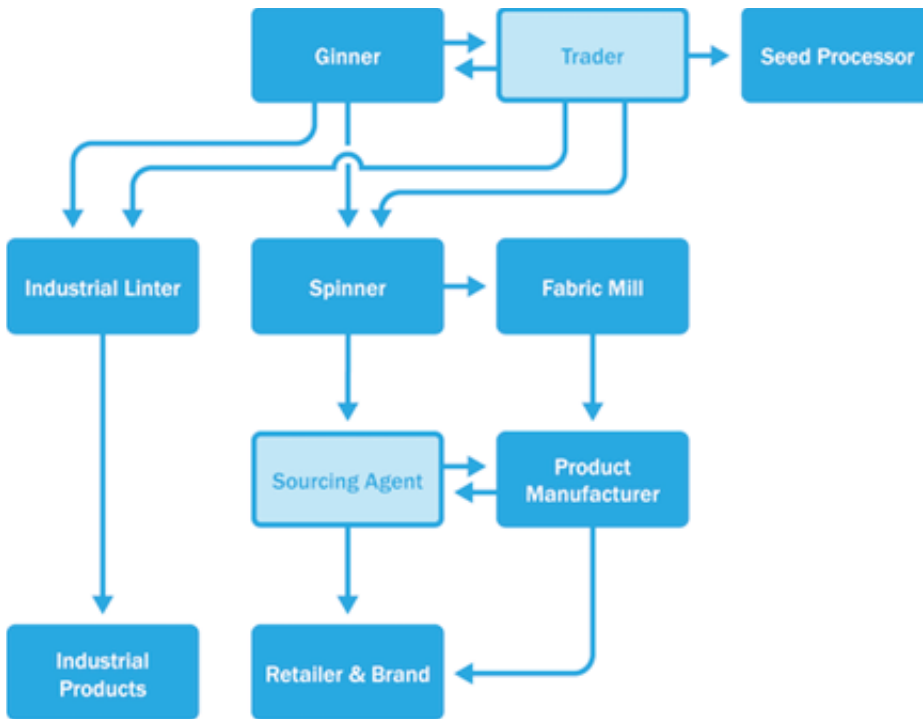
2. SUPPLY CHAIN TIERS

This section details characteristics of Pakistan’s cotton supply chain tiers and describes the steps and processing events at each one of them. It also describes the actors found along Pakistan’s cotton trade supply chain.

The tiers vary between and within various product supply chains. In general, a tier-1 supplier is a directly contracted upstream supplier of product inputs and a tier-2 supplier supplies inputs to a tier-1 supplier, which extends upstream for the remaining tiers to the point of primary raw materials production. Two or more tiers may be vertical integrated, consolidating supply chain points. In cotton supply chains, the tiers may include any or all of the following: farms, ginners, spinners, fabric mills, cut and dye units, product/ finished-good manufacturers and retailers. Intermediaries play important roles though they are generally not identified as tiers.

Below, the Report addresses the common tiers found in supply chains in the Pakistan cotton sector, which are relevant to the GTP pilot: farm, ginner, spinner and manufacturing tiers. The flows between supply chain actors, including traders, ginners, and spinners, can be complex and interconnected. Per the project definition of “supply chain tier,” only those stages where a process occurs is considered a tier, found in blue, whereas the stages without a process are identified in light blue.

Figure 5: Cotton Supply Chain Tiers



2.1 FARMING

Cotton is the third most widely cultivated crop in Pakistan by crop area, after wheat and rice. Pakistan has an estimated 1.5 million cotton farmers,⁶¹ although, the number fluctuates widely on an annual basis. Farmers typically do not exclusively grow cotton and will adjust crop growing decisions during the year.

2.1.1 GROWING AND HARVEST SEASONS

The cotton growing and harvest seasons differs slightly by region. Cotton planting in Upper Sindh typically begins in Mid-February to March while planting in Punjab and Lower Sindh begins as late as Mid-April to May.⁶² Both provinces have three or four crop harvests a year, with the first harvest of an early crop beginning as early as June and the harvest of later crops in September or October. Research has found a correlation between cotton prices at the first harvest and production in later harvests. When prices are low, farmers tend to invest less on plant protection and management because they anticipate lower returns; in some cases, they switch to other crops.⁶³

2.1.2 FARMING MODELS

Most farms in Pakistan are small-scale operations on less than five hectares (12.4 acres) of land,⁶⁴ yet they produce more than 90% of Pakistan's total raw cotton annually. Most small-scale farmers do not have access to modern machinery and manual labor during land preparation, sowing, weeding, and harvest. Non-mechanized cotton cleaning processes prior to sale is also standard which reduces the quality of cotton produced. Per criteria established by Pakistan's government, large landlords are defined as those holding more than 50 acres of land in Punjab and Khyber Pakhtunkhwa (KPK) and over 64 acres of land in Sindh and Baluchistan. Small farmers are those who hold up to 12.5 acres in Punjab and KPK, up to 16 acres in Sindh and up to 32 acres in Baluchistan.⁶⁵

Both farmer-owned and tenancy arrangements are common for small-scale cotton farmers, with more than 99% of the land privately owned.⁶⁶ The tenancy model is divided into sharecropping and wage laborer models. In the sharecropping tenancy model, the harvest is shared between landlords and their farming tenants. In the wage laborer tenancy model, the farm worker's wage is dependent on the daily quantity of cotton picked at the landowner's farm. In Sindh and Baluchistan, the general term for landlord is zamindar. Labor contractors, known locally as jamedars, arrange for labour for landlords. The jamedar charges the landlord a finder's fee or a specific share of the crop.⁶⁷ The provincial governments support agricultural extension services to help farmers, including those in family holdings, improve agricultural production and farm management; increase income and productivity; and elevate the standard of living as well as social and educational standards. In Punjab, the Agriculture Department of the Government of Punjab provides extension services to farmers, including village-level farmer training programs.⁶⁸

The virtues of cooperative farming have been promoted, though the number of cooperative farms remains relatively small. There are about 130 cooperative farming societies – or producer organizations - in Punjab, covering 11,117 members and 147,000 acres.⁶⁹ The Government of Punjab has a Cooperative Department that facilitates the formation and working of cooperative societies through support and capacity building. There have been recent calls to expand cooperative farming because of its economic benefits,⁷⁰ though studies have noted the need to overcome conflicts and management challenges in cooperatives.⁷¹

Although large-scale farms account for only about 10% of cotton production, they have some notable advantages, including economies of scale and more ample resources for managing crops. Small farms, with limited financial resources and greater reliance on debt from middleman (beopari), are more vulnerable to variations in climate conditions, such as flooding and water scarcity, as well as periodic difficulties in obtaining fertilizer due to common shortages and high costs.

61. USDA Foreign Agriculture Service. Cotton and Products Annual Report – Pakistan. (April 02, 2021).

62. Punjab officials prohibit planting prior to April 1, 2021 to counter the timing of pink bollworm activity in cotton producing areas.

63. Caesar B. Cororaton and David Orden, International Food Policy Research Institute. Pakistan's Cotton and Textile Economy Intersectoral Linkages and Effects on Rural and Urban Poverty 2008.

64. USDA report.

65. Mohiuddin Aazim. [The Plight of the Small Farmer](#), 2018.

66. Batool, Saeed. 2017. Caesar B. Cororaton and David Orden, International Food Policy Research Institute. Pakistan's Cotton and Textile Economy Intersectoral Linkages and Effects on Rural and Urban Poverty 2008.

67. Maliha H. Hussein; Abdul Razzaq Saleemi; Saira Malik; Shazreh Hussain. ILO. [Bonded Labor in agriculture: a rapid assessment in Sindh and Balochistan, Pakistan](#), January 2004.

68. Agricultural extension and training programs are highlighted on the Agricultural Department of Punjab Website <https://agripunjab.gov.pk/>

69. Farming Societies. Cooperatives Department, Government of the Punjab, found at https://cooperatives.punjab.gov.pk/farming_societies

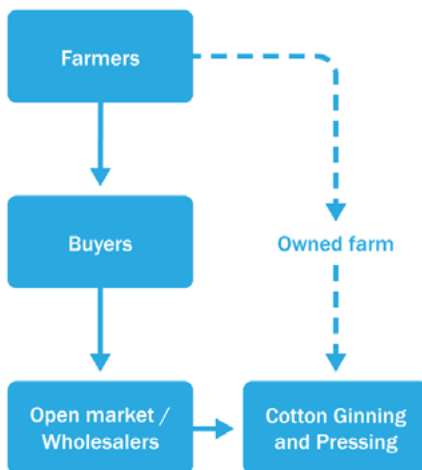
70. Muhammad Ali Ilah. The Need for Farmer Cooperatives in Pakistan. 2021 Found at <https://profit.pakistanistoday.com.pk/2021/10/17/the-need-for-farmer-cooperatives-in-pakistan/>

71. Sabir, Tahir, Arshad, Nasir. The Future of Cooperative Farming in Pakistan. 2012.

2.1.3 FARM LEVEL STEPS - STORAGE, TRANSPORT, AND TRADE

After harvest, the potentially traceable steps are at the storage, transport, and trade event levels. Because cotton seed cannot be stored for long periods of time (due to high oil content), farms rarely store it for long periods.⁷² Large-scale farmers typically sell cotton seed directly to ginners while small- and medium-scale farmers either sell directly to ginners, through a marketplace, or through middlemen. These middlemen (beoparies) purchase cotton from farmers locally and transport, often using tractor trolley fitted with frames wrapped with polypropylene sheet and motorcycle rickshaw. These polypropylene sheets are made from fertilizer packing bags stitched together to make sheets. Cotton is transported to cotton trading centers run by businesses with connections to ginning factories.⁷³ This trade is largely informal, with small-scale farmers often depending on loans provided by such middlemen. Seed cotton may be mixed by these buyers, and is commonly exposed to sun heat, dust, dew, and other contaminations during trade.⁷⁴

Figure 6: Material Flows from Farm to Gin



72. Batool, Saeed. 2017.

73. CABI South Asia. 2008. [Cotton Value Chain: Skill Gap Analysis in Ginning Sub-sector](#), 2008.

74. Ibid.

2.2 GINNING

Ginning is the first processing event in the cotton value chain. Ginners are major clients of cotton growers and provide pressed cotton bales and cottonseed oil to downstream spinners often through traders.⁷⁵ In Pakistan, quality is measured and ranked from “supergrade” (the best), and then 1-5 (with 1 better). Waste in cotton is rated from 3%-9%, with 3-6% deemed high quality and 6-9% is deemed “trash.”⁷⁶ Most ginning factories are small-to-medium sized enterprises, with many being family owned or sole proprietorships.⁷⁷

Figure 7: Material Flow in Ginning Unit



Ginners usually rely on multiple suppliers to meet their raw material production needs.⁷⁸ A weighbridge – typically digital - is utilized to weigh (and calculate pay out) for the seed cotton received upon arrival at the ginner. Some ginning units employ local testing and calibration laboratories⁷⁹ and select ginners use software to record purchase/sale data. Most have a manual register system to maintain the record of purchase, which is also preferred by farmers who prefer manual records.

At the gin, the cotton is grouped into heaps to homogenize quality. The grouping is done to create more consistent heaps in terms of quality and moisture content prior to ginning. This is done by mixing lower quality and higher quality cotton. Quality is determined by visually inspecting color and trash content, including amounts of leaves, stones, and sticks in batches, prior to heaping. The cotton is then cleaned prior to ginning, with stones, sticks, leaves removed, with the ginning process separating fibers from their seeds and producing cotton lint for textile and clothing products, as well as seed for oil and seed cake, and waste cotton.

After ginning, cotton is pressed into bales, which are typically marked either by 1) manually writing a number on tags on the bale face or 2) applying stickers on each bale. In some limited cases, digital technology is used for assigning bale IDs at ginning factories. Bale lots are made up of 100 bales, which spinners purchase in whole or multiple lots.⁸⁰ Bales are manually loaded into trucks and sent to spinning mills, with 100 bales typically making up a lot.⁸¹

75. CABI South Asia. Cotton Value Chain: Skill Gap Analysis in Ginning Sub-sector. 2018.

76. GTP discussion with ginners and farmers, August 2022.

77. Batool, Saeed. 2017.

78. Batool, Saeed. 2017.

79. WWF Ginning Report.

80. Based on ELEVATE first person research.

81. CABI South Asia, [Cotton Value Chain: Skill Gap Analysis in Ginning Sub-sector](#).

The ginning industry hires mostly low-skilled seasonal laborers who receive low paid.⁸² Because most ginning enterprises are in rural areas, the majority of the workforce is drawn from rural areas;⁸³ however for management positions university graduates are often hired. Ginners do not commonly invest in employee training, regular machinery upgrades, or new technology for production and operation.⁸⁴ There is limited standardization or mandates around the use of modern ginning machinery. This allows for the continued use of older and poorly calibrated “saw gins”, which are simple, manually fed machines that can only process a few hundred pounds of fiber per day and reduce cotton quality. Only a few large manufacturers use sophisticated ginning technology or pre-cleaning technology. Power outages are also common in the sector.⁸⁵

2.3 SPINNING AND MANUFACTURING (KNITTING, WEAVING, ASSEMBLY)

Textile manufacturing, comprised of spinning units (mills) and weaving, knitting and garment/textile production, occurs in both the formal and informal sectors.⁸⁶ Spinning - the process that transforms cotton bales into yarn - is performed in both stand-alone spinning facilities and in composite textile mills that do both yarn spinning and fabric manufacturing. Spinning facilities may receive raw cotton lint, cotton by-products (from combing or carding), and/or recycled cotton yarn. Weaving and knitting mills take sets of yarn, interlacing them to create a continuous amount of fabric.

As of June 2021, there were 40 composite textile units and 477 stand-alone spinning units in the cotton sector.⁸⁷ The informal sector includes more than 13 million spindles, 700,000 industrial and domestic stitching machines, 400,000 automatic looms, 3,000 small knitting units, and 175 large knitting units.⁸⁸ There are also approximately 650 printing and dyeing units in the textile sector in Pakistan.⁸⁹ Collectively, the sector employs approximately 1.3 million people.⁹⁰ Industry programs consider the spinning mills stage as a “key choke point for implementing due diligence”⁹¹ because cotton from multiple sources are mixed together to produce yarn. Spinners are typically the point at which imported cotton bales are integrated into the supply chain.

Larger spinning mills may have modern information management and enterprise resource planning (ERP) systems that record, control, and monitor material received, stored, processed, or otherwise handled by the spinner. Based on the ELEVATE supply chain mapping self-assessment questionnaires, many spinning facilities use RFID or other tracking devices from their facility. Smaller spinning facilities lack modern spinning technology and produce lower quality yarn.

82. Asif Tanveer 2012.

83. Sajjad, A., et al, Current trends of decent work in cotton ginning small and medium enterprises of Pakistan. *Journal of Environmental & Agricultural Sciences*, 2:10 January 2015.

84. Ibid.

85. Ibid.

86. Batool, Saeed. 2017.

87. Textiles Policy 2014-19, Ministry of Textile Industry, Government of Pakistan.

88. Pakistan Readymade Garments Manufacturers & Exporters Association; APTMA. Pakistan Economic Survey.

89. Ibid.

90. U.S. Department of Agriculture, Foreign Agriculture Service. Cotton and Products Annual Report – Pakistan. (April 02, 2021). Found at <https://www.fas.usda.gov/data/pakistan-cotton-and-products-annual-5>

91. YESS STANDARD FOR SPINNERS Version 1.0, March 20, 2019.

3. LABOR RIGHTS IN PAKISTAN

Discussed below are Pakistan's ILO obligations and efforts, its labor law system, key child labor laws and prevalence, key forced (bonded) labor laws and prevalence, and key labor and business stakeholders.

3.1 PAKISTAN'S ILO OBLIGATIONS AND LABOR LAW SYSTEM

3.1.1 RATIFIED ILO CONVENTIONS, DECENT WORK AGENDA AND BETTER WORK

Pakistan has ratified eight of the ILO's fundamental Conventions, including the Forced Labour Convention (No. 29), the Abolition of Forced Labour Convention (No. 105), the Minimum Age Convention (C. 138), and the Worst Forms of Child Labour Convention (No. 182), as well as the Conventions on freedom of association, the right to organize, and collective bargaining (No. 89 & 98), the prohibition of discrimination in employment and occupation (No. 111) and equal remuneration (No. 100). These eight fundamental Conventions are elements of the ILO Declaration on Fundamental Principles and Rights at Work.⁹² In June 2022, the International Labour Conference adopted a resolution to include a safe and healthy environment to the ILO's framework of fundamental rights and principles; Pakistan has not ratified the related OSH Conventions C. 155 and C. 187.⁹³ Pakistan has also ratified the Labour Inspection Convention (No. 81) and the Freedom of Association (Agriculture) Convention (No. 11).⁹⁴

In support of its ILO commitments, Pakistan and its tripartite partners periodically agree on a Decent Work Country Programme, with its most recent iteration for 2016-2020 aiming at promotion of decent work in the rural economy.⁹⁵ The 2016-2020 Programme noted that child and bonded labor "remain pervasive in both the informal and the formal economies." It also found an "absence of reliable and comprehensive data to accurately assess" the prevalence of hazardous child labor, worst forms of child labor, and forced labor.⁹⁶ As discussed below, enforcement of labor laws has devolved to the provinces, which has "substantially reduced" the government's "mandate at the federal level, divesting it of its role in implementing Pakistan's Decent Work Country Programme."⁹⁷ A country-wide child labor survey was recently conducted, but the results have not yet been released.

The ILO, in collaboration with the International Finance Corporation (IFC), has recently launched a three-year Better Work pilot program through the Export Development Fund (EDF), aiming to improve compliance with ILO Core Labor Standards and national legislation on compensation, contracts, occupational safety and health and working time.⁹⁸ This program operates at the garment factory level and not directly on the supplier, ginner or farm levels. However, with its labor-management cooperative model, the Better Work program may have positive effects further upstream as well as for Pakistan's economy. Indeed, the Walt Disney Company recently reinstated Pakistan as a permitted textile/clothing source for its consumer product licensees, subject to Better Work engagement, although their sourcing teams will proceed with implementation slowly over a number of years.⁹⁹

3.1.2 PAKISTAN'S LABOR RIGHTS & LAW SYSTEM

Pakistan's Constitution prohibits all forms of slavery, forced labor and child labor (Art. 11) and protects freedom of association and the right to form unions (Art. 17).¹⁰⁰ After independence in 1947, Pakistan's inherited the British Common Law system and four basic laws on trade unions, employment, industrial disputes, and labor and employment that served as its foundation for labor and employment law and policy.¹⁰¹ Between 2000 and 2002, Pakistan's National assembly consolidated a myriad of laws protecting labor rights and regulating employment into six laws, including ordinances on Industrial Relations, Conditions of Employment, Payment of Wages, Occupational Safety & Health, Labour Welfare & Social Security, and Human Resources Development & Control of Employment.¹⁰²

92. See Fundamental Principles and Rights at Work, 1998.

93. ILO, Resolution on the Inclusion of a Safe and Healthy Work Environment, June 2022.

94. See ILO, Ratifications by Pakistan, webpage, 2022.

95. Pakistan Decent Work Country Programme III, 2016-2020

96. Ibid at 16.

97. Ibid at 5.

98. See Better Work Pakistan.

99. Sourcing Journal. "Disney Reinstates Pakistan to 'Permitted Sourcing' List," May 23, 2022.

100. The Constitution of Pakistan, 1973, last amended 2015.

101. Indeed, this legislation has been viewed as having some enduring value; for example, the Punjab Department of Labour stills cites the Trade Union Act of 1926 for union license procedures. See Details (pblabour.gov.in).

102. See [Labour Law in Pakistan](#).

In 2010, by its Eighteenth Constitutional amendment (Act No. X of 2010), Pakistan devolved important powers from the federal to provincial governments, many of which then adopted legislation related to labor, employment and child welfare and created new provincial enforcement bodies. As a result, federal law related to these areas applies where a province has not adopted such laws; provincial law supplants it where it does, which is the case in most provinces.¹⁰³ The devolution has led to a patchwork of laws across the country, with some in and others out of compliance with international child labor standards; although federal law has served as a starting point for provincial law, with ILO updates and variations for local circumstances.¹⁰⁴ For some provisions, most notably those involving definitions, provincial law copies federal law.¹⁰⁵

Given the extent of devolution,¹⁰⁶ the provincial departments of labor are Pakistan's central authorities for enforcement of labor laws and labor administration, including labor inspection, along with provincial labor courts.¹⁰⁷ These departments include the Labour and Human Resource Departments in Punjab and Sindh. Effective enforcement is limited or hampered in two aspects:

1. The limited scope of labor administration means that labor inspections are not conducted for child labor or forced (bonded) labor at the farm level; and
2. The provincial governmental bodies lack sufficient resources to fully administer the laws that they are charged with implementing.

Regarding scope, for example, the Punjab Labour and Human Resource Department (LHRD) is charged with enforcement of labor welfare laws in factories, transport, railway, shops, and commercial and industrial establishments. Although it does not conduct child or bonded labor inspections at farms, the LHRD's Directorate General of Labour Welfare is charged with implementing government policies and programs for "the gradual elimination" of child labor and coordination of government efforts to combat child labor and bonded labor.¹⁰⁸ The LHRDs do not publicly share data on labor violations, limiting their ability to coordinate on traceability efforts. Similarly, the Punjab Child Protection and Welfare Bureau, like other provinces, provides safe haven to destitute, neglected, abused, and run-away children with shelter, education, counseling, and protection to help them transition into useful and productive members of the society; however, they do not conduct investigations into employers' use of child labor.¹⁰⁹

Regarding resources, the Provincial labor inspectorates lack sufficient resources to fully conduct, let alone expand inspections, often lacking funds to cover the cost of transportation to conduct inspections or sufficient trainings.¹¹⁰ While provincial-level labor departments collect data on labor law enforcement at the district level, they do not publicly share data and there is no centralized federal repository for this data nor any regular mechanism for reporting it to the federal government.¹¹¹

Based on the ILO's technical advice of a ratio approaching one inspector for every 15,000 workers in developing economies, Pakistan would need to employ roughly 4,259 labor inspectors for its workforce of more than 64 million workers,¹¹² but, according to the ILO, in 2017-18, there were 247 labor inspectors in Punjab, 187 in Sindh, and 636 total nationwide.¹¹³ USDOL reported, based on an interview with the US Embassy in Pakistan, that, in 2020, the number of labor inspectors dropped in both provinces to 102 in Punjab and 120 in Sindh.¹¹⁴ In 2022, Punjab authorities reported to the GTP project that the number of officials conducting labor inspections¹¹⁵ has risen to 247 and, according to Sindh authorities 187 officials conduct labor inspections. Also in 2022, Federal authorities reported to the GTP project a total of 3 or 4 inspectors at the federal level. At any of these reported levels, however, the numbers are insufficient to effectively cover Pakistan's workforce.

103. Pakistan - The Constitution (Eighteenth Amendment) Act, 2010 (Act X of 2010). (ilo.org)

104. (Stacey Frederick 2019). See Legislative Powers of Federation of Pakistan. This amendment also redesignated the Ministry of Labour and Manpower as the Ministry of Overseas Pakistanis & Human Resource Development.

105. In 2006, the Federal Government issued a Labour Inspection Policy and a Labour Protection Policy, followed by a federal Labour Policy in 2010. To date, however, no governments have taken actions to implement these policies. Decent Work 2019.

106. The Ministry of Overseas Pakistanis and Human Resource Development Administration remains responsible for implementation of the following: the Emigration Ordinance, 1979, and; b) the Control of Employment Ordinance, 1965 (XXXII of 1965); the Workers Welfare Fund Ordinance, 1971 d) the Companies Profits (Workers participation Act, 1968 (XII of 1968); and the Employees' Old-Age Benefits Act, 1976. See Ministry of Overseas Pakistanis and Human Resource Development (ophrd.gov.pk).

107. See generally, Status-of-Labour-Rights-2015-final.compressed-10-05-2017-02-39-39-Compressed.pdf (piler.org.pk).

108. Directorate General of Labour Welfare | Punjab Portal.

109. About Us | Child Protection & Welfare Bureau (punjab.gov.pk).

110. Maliha H. Hussein, et al, ILO. [Bonded Labor in Agriculture: a rapid assessment in Sindh and Balochistan, Pakistan](#), January 2004, pp. 10-11.

111. Ibid.

112. Ibid.

113. ILO. Pakistan Decent Work Country Profile 2019 (2020), Figure 90, p. 169.

114. USDOL. 2020 Report on the Worst Forms of Child Labor.

115. For reporting purposes, the provincial authorities include officials who do not have the title "labor inspector" provided that they conduct labor inspections in addition to other duties. They include labor officers, deputy directors, directors, a chief inspector, and assistant directors (GTP staff discussions with authorities).

In Punjab, the Punjab Labor Welfare Department registered 1,441 first investigative reports (FIRs) on violations of Punjab’s child employment restrictions, with all of them reported in industry and commercial establishments and none at the farm level.¹¹⁶ In the Sindh province, inspectors stopped conducting unannounced inspections due to complaints of harassment filed against inspectors by employers.¹¹⁷

Table 1: Key Labor Rights Actors in Pakistan

Actor	
Provincial and Regional Police	Enforce violations of federal and provincial laws concerning the worst forms of child labor, including the Pakistan Penal Code, Prevention of Trafficking in Persons Act, and the Bonded Labor System (Abolition) Act (BLSA). Refer children taken into custody to Child Protection Officers.
Provincial Labor Inspectors	Inspect industrial areas and markets to identify child labor violations, enforce provincial labor laws, and pursue legal action against employers.
Labor Courts	Assess penalties for labor violations. Located in each province and the Islamabad Capital Territory
District Vigilance Committees	BLSA and assist in rehabilitating bonded laborers via monitoring bodies. Consist of members of the public, civil society groups, lawyers, members of the media, and local government officials and report to the District Magistrate
Child Protection Units (CPUs)	Take into custody at-risk children, including those rescued from exploitative labor situation

3.2 CHILD LABOR

3.2.1 CHILD LABOR LAWS

In Punjab, the minimum age of work is 15 (a “child” is a person under the age of 15), per the Factories Act (sec. 50), the Shops and Establishments Ordinance (sec. 20), and the Employment of Children Act (ECA) (sec. 2) (1991).¹¹⁸ The ECA also identifies work that is prohibited for children to perform (similar to but without reference to the ILO’s “hazardous” work standard), including work in the cloth weaving, printing, dyeing and finishing as well as mixing pesticides and insecticides (ECA Schedule Part I and II). USDOL states that Pakistan’s labor law enforcement agencies “took actions to combat child labor” (with first investigative reports (FIRs) at the provincial levels) though also concludes that “it is unknown whether investigations, prosecutions, or convictions were undertaken or achieved for child labor crimes in 2020.”¹¹⁹

In Sindh, the minimum age of work is also 14 (a “child” is a person under the age of 14) (domestic light work allowed age 15-18) and an “adolescent” is a person aged 15 to 18, per the Punjab Restriction on Employment of Children Act 2016 (PRECA) (sec. 2). The PRECA prohibits “hazardous” work for children and adolescents consistent with ILO Convention 182 (Art. 3(d), which means work that is “by its nature or the circumstances in which it is carried out, is likely to harm the health, safety or morals of adolescents,” including many of the same types as identified in federal law, such as cloth weaving, printing, dyeing, and finishing and mixing pesticides and insecticides. Similarly, in Sindh, the minimum age of work is also 14 (“child” means a person who has not completed his fourteenth years of age) and an “adolescent” is aged 15 who is not yet 18, per the Sindh Prohibition of Employment of Children Act, 2017 (sec. 2). Pakistan has not established a public coordinated child protection case management and referral system, as aligned with international standards, to respond to reported cases of child exploitation.

116. Ibid.

117. Ibid.

118. Findings on the Worst Forms of Child Labor - Pakistan | U.S. Department of Labor ([dol.gov](https://www.dol.gov))

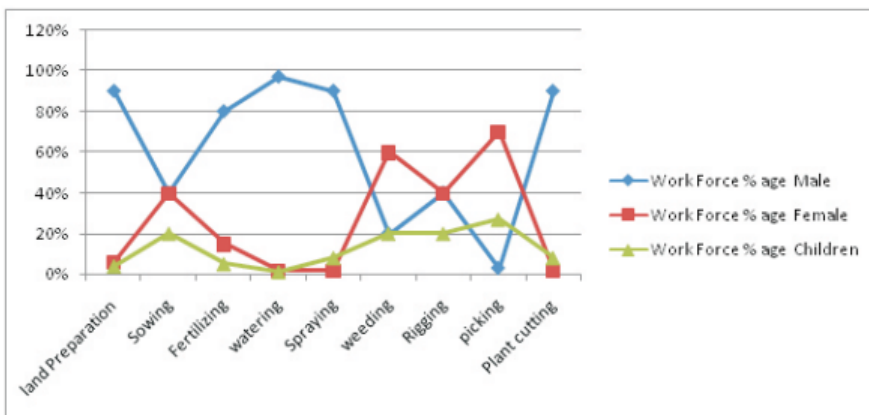
119. Ibid.

3.2.2 CHILD LABOR PREVALENCE AND HAZARDOUS WORK IN COTTON

Child labor is widely found across the agriculture sector globally, with approximately 112 million children, representing 70% of child laborers across all economic sectors. For younger children, more than three quarters of all children aged 5 to 11 in child labor are found working in agriculture.¹²⁰ Similarly, in Pakistan, out of the estimated 2.26 million child laborers aged 10-14, about 70% are found in the agricultural sector,¹²¹ with rates of child labor in cotton growing provinces higher. In Punjab province, 12% of children ages 5-14 work; in Sindh province that number is 21%.¹²² These rates have likely been exacerbated by COVID-19 in recent years, with studies suggesting links between child labor rates, school closures and loss of employment by primary breadwinners.¹²³

Pakistan has one of the world's youngest populations, attributed to a high fertility rate at 3.5 in 2022, with about 40.3% of the population under the age of 15 and a median age of 19, estimated in 2017.¹²⁴ In 2019, it was estimated that Pakistan had 92,543,258 persons below the age of 18.¹²⁵ As a result, children are often found with their parents.

At the farm level in Pakistan, there is a risk of children picking cotton along with their families, who receive piece rate payment for their total family output in contrast to individual worker payments. Where this arrangement exists, it is harder to accurately quantify the numbers of such children and whether it interferes with their education. Farmers report that children are not desirable as pickers because they are more likely to damage the cotton.¹²⁶ Cotton farming presents some of the most hazardous working conditions for children, including the use and application of pesticides and other hazardous chemicals, and carrying heavy amounts of water and cotton,¹²⁷ and may involve bonded labor, physical abuse, and sexual abuse.¹²⁸ The involvement of the males, females, and children percentage wise in the cottonseed process in Pakistan is heightened in the following graph:¹²⁹



In ginning factories, children handle cotton received by ginning units, clean and prepare it for the ginning process and handle the cotton bales produced at the end of the process.¹³⁰ Children may work without protective clothing or in areas where white cotton dust contamination is found.¹³¹ In textile manufacturing, children may work in large formal factories or small informal factories, as well as in subcontracted workshops and in their own homes.¹³² Smaller factories have been found to employ children to avoid paying minimum wage and overtime.¹³³

120. ILO and UNICEF. Global Child Labour Estimates 2020: Trends and the Road Forward (2021), pp. 12, 37, 38.

121. Findings on the Worst Forms of Child Labor - Pakistan | U.S. Department of Labor (dol.gov)

122. Ibid.

123. Idris, Iffat. Impact of COVID-19 on Child Labour in South Asia, GSDRC, University of Birmingham 8 June 2020.

124. See [Demographics of Pakistan - Wikipedia](#).

125. UNICEF Child Labor Data (web-based tool).

126. GTP conversations with farmers and agricultural extension officers, August 2022.

127. Out of an estimated 160 child laborers, 79 million engage in hazardous work, with most in agricultural work. ILO and UNICEF, Global Child Labour Estimates 2020, p. 22. For a detailed list of potential cotton farm hazards, see National Farm Data Injury Centre (Australia), "Health Safety Risks Cotton Production On-Farm" (2001).

128. See for example, "Socio-Economic and Political Causes of Child Labor: The Case of Pakistan" "Global Political View, Vol. 1, No. 1 (2016). See generally, UNICEF, Child Labour in Global Supply Chains, Jan. 2020.

129. National Rural Support Programme, Social & Human Protection Programme: Child Labor in Cotton Seed Farming (undated, after 2010), p. 27.

130. Environmental Justice Foundation. The Children Behind our Cotton (2007).

131. CHILD LABOR IN COTTON SUPPLY CHAINS. Fair Labor. June 2017. https://www.unicef.nl/files/child_labor_in_cotton_supply_chains_june_2017.pdf

132. Ibid.

133. Human Rights Watch. [No Room to Bargain: unfair and abusive labor practices in Pakistan](#), 2019.

While few studies focus on child labor in Pakistan’s spinning process, studies in neighboring India have found child laborers to be involved in virtually all processes related to yarn production, frequently acting as helpers for adult workers. These children are typically employed informally and paid on a daily or piece rate basis. There are also concerns over the health and safety of children working in these industries as there are reports over poor health and safety standards in Pakistan’s textile factories, workers report an increase in incidences of chronic respiratory problems because of the presence of cotton dust in the air. Cotton dust is a byproduct of the process that converts raw cotton into yarn or fabric.¹³⁴

3.3 FORCED LABOR

3.3.1 FORCED & BONDED LABOR LAWS

At the federal level, the Constitutional prohibition of forced labor is incorporated into the Prevention of Trafficking in Persons Act (sec. 3 and 7) (2018) (“compelled” labor is prohibited, including forced and debt bondage), the Bonded Labor System (Abolition) Act (BLSA) (sec. 4) (1992); and the Penal Code (secs. 367 (kidnapping for slavery), 370 (buying slaves), 371A-371B (buying/selling for prostitution), and 374 (compulsory labor)).

The BLSA prohibits labor in a “bonded labour system,” which means:

the system of forced, or partly forced, labour under which a debtor enters, or has, or is presumed to have, entered into an agreement with the creditor to the effect that,—

- (i) in consideration of an advance (peshgi) obtained by him or by any of the members of his family [whether or not such advance (peshgi) is evidenced by any document] and in consideration of the interest, if any, due on such advance (peshgi), or
- (ii) in pursuance of any customary or social obligation, or
- (iii) for any economic consideration received by him or by any of the members of his family –

he would—

- (1) render, by himself or through any member of his family, or any person dependent on him, labour, or service to the creditor, or for the benefit of the creditor, for a specified period or for an unspecified period, either without wages or for nominal wages, or
- (2) forfeit the freedom of employment or adopting other means of livelihood for a specified period or for an unspecified period, or
- (3) forfeit the right to move freely from place to place, or (4) forfeit the right to appropriate or sell at market value any of his property or product of his labour or the labour of a member of his family or any person dependent on him,

In Punjab, bonded labor is prohibited by the Punjab Bonded Labor System (Abolition) Act (1992), which has the same definition for a “bonded labour system” and authorized Provincial Vigilance Committees at the district level to monitor for its occurrence.¹³⁵ Similarly, in Sindh bonded labor is prohibited by the Sindh Bonded Labor System (Abolition) Act, 2016, with the same definition and creation of Vigilance Committees.¹³⁶

134. <https://tribune.com.pk/story/1921727/struggling-breathe-plaint-textile-workers-faisalabad>

135. BLSA Sec. 15A directs the Government to constitute and appoint a Provincial Vigilance Committee to:

- (a) Review implementation of the BLSA and its action plan for abolition of bonded/forced labor and rehabilitation of workers;
- (b) Monitor the District Vigilance Committees; and
- (c) Address the concerns of national and international bodies related to bonded or forced labor.

136. See Sindh Act No. XX of 2016 (pas.gov.pk)

3.3.2 FORCED & BONDED LABOR PREVALENCE

According to the Global Slavery Index, more than 3 million people were estimated to be in modern slavery in Pakistan in 2018.¹³⁷ Forced labor, primarily in the form of debt bondage, exists among agriculture workers in Sindh and Punjab and to a lesser extent in Baluchistan.¹³⁸ The prevalence of tenancy and sharecropping models increases risks of bonded labor, as farmers take out loans, sometimes from landlords to meet their financial needs (often to cover instances of sickness, death and marriages). While there are significant variations in tenancy arrangements across the country, the most common practice that risks bonded labor occurs when the landlord takes half the cotton yield without sharing any input costs.¹³⁹

Debt can extend to whole families including children, forcing them into bondage or trafficking.¹⁴⁰ It is important to note however that loans are usually adjusted at the time of cotton harvesting, so not all cases of debt strictly constitute bondage. A lack of alternative employment options and failure to pay rural workers a minimum wage also contribute to the debt bondage. Poor record-keeping complicates transparency.

Bonded laborers are often from socially excluded groups, including minorities and migrants who suffer additionally from discrimination and political disenfranchisement, without recourse to social or political protections.¹⁴¹ Isolation is also a common forced labor indicator: sharecroppers may not be allowed to move freely, to take decisions independently, to send their children to school, and, sometimes, to meet their relatives. Labor contractors known as jamedars, who arrange labor for landlords for a commission, have also been connected to forced and bonded labor in Pakistan. Landlords may extend advances to jamedars (labor contractors) or to workers for labor.¹⁴² This series of debt relationships leads to workers under duress until debts are repaid.

In the textile manufacturing sectors, forced labor and bonded labor has been found. Human Rights Watch states that in the garment sector “a combination of lack of job security that make it easier to dismiss and control workers, poor government labor inspection and enforcement, and aggressive tactics against independent unions, make it difficult for workers to assert their rights.”¹⁴³

ASSESSING LABOR RISKS IN THE COTTON SUPPLY CHAIN	
Upstream Labor Risks	Midstream/Downstream Labor Risks
<p>Child Labor</p> <p>Child labor common on family farms - Hazardous work includes:</p> <ul style="list-style-type: none"> • Heavy lifting, carrying water for irrigation, loading trucks with cotton; • Working without protective clothing or masks to prevent cotton dust inhalation; and • Pesticides application without appropriate protective equipment. 	<ul style="list-style-type: none"> • Young children may support textile manufacturing, particularly in informal sector. • Labor inspections may cover child and bonded labor, though limited by personnel and resources
<p>Forced Labor</p> <ul style="list-style-type: none"> • Wage laborers held bonded debt labor • Landlords extending advances to jamedars (labor contractors) and to laborers, binding both. • Seasonal ginning unit jobs with limited labor protections and/or safety equipment. 	<ul style="list-style-type: none"> • Limited labor and OSH inspections. • Migrant workers and daily-wage situations may lead to bonded labor lacking labor protections. • Hazardous working conditions, lack of union representation.

137. Global Slavery Index 2018: Pakistan.

138. Maliha H. Hussein, et al, ILO. [Bonded Labor in Agriculture: a rapid assessment in Sindh and Balochistan, Pakistan.](#)

139. Ibid, pp. 12-13.

140. Ibid.

141. Ibid.

142. Ibid.

143. Human Rights Watch. [“No Room to Bargain”: Unfair and Abusive Labor Practices in Pakistan | HRW, 2019.](#)

3.4 LABOR & BUSINESS STAKEHOLDERS

Labor and business stakeholders in Pakistan engage in consultative policy dialogue to varying degrees at the national and provincial levels. Unions are active at the national tripartite level with the ILO's engagement and on a focused basis at the manufacturing level but are not active at the farm level. Employer organizations are active at the national tripartite and manufacturing levels; and cotton-related business stakeholders are active primarily at the ginner, spinner, and mill levels, with limited organized voice at the farm level. See Annex II for a list of stakeholders.

In Pakistan, union density is low, with 2016 estimates that about 1,414,160 workers were in unions out of a workforce of 61 million. This number represents a unionized rate of only 2.32%, though because unions are only registered in formal sector employment (equaling about 28% of workforce) (no "unions" in the informal sector, though some NGO advocacy), the total rate for the formal sector was 15.55% in 2016.¹⁴⁴ In the textile and apparel sector, the Pakistan Textile Garment and Leather Workers Federation is the most active union federation.¹⁴⁵

The Pakistan Cotton Ginners Association (PCGA),¹⁴⁶ the Pakistan Readymade Garments, Manufacturers & Exporters Association (PRGMEA),¹⁴⁷ and the Pakistan Textile Exporters Association (PTEA) are all key business sector actors. The Employers' Federation of Pakistan operates primarily at the national tripartite level and the Pakistan Farmers' Association attempts to represent farmers primarily at the local level. Supply chain due diligence efforts have largely focused on the manufacturing to ginner levels; given the difficulties in reaching the vast number of farms.

The farmers lack a sustained provincial or national organization that effectively advocates for their interests, including for higher cotton prices for improved quality. Farming cooperatives have been established but have remained very limited in coverage.¹⁴⁸ Where these farmers lack sufficient financial incentives to grow cotton, they may switch to other crops, such as sugar cane, rice and corn, posing a challenge to the Government of Pakistan's aim of increasing cotton yields.

144. ILO. Working Paper: [A Profile of Trade Unionism and Industrial Relations in Pakistan](#), 2018.

145. See [Pakistan Workers Federation \(PWF\) Background and History: — Pakistan Workers Federation](#). See also, [Pakistan garment unions form united federation - Just Style \(just-style.com\)](#).

146. See [PCGA – Pakistan Cotton Ginner's Association](#).

147. See [PRGMEA](#).

148. See [The need for farmer cooperatives in Pakistan - Profit by Pakistan Today](#) (Oct. 17, 2022).

4. TRACEABILITY LIMITATIONS AND CAPACITY

4.1 RESOURCE, TECHNOLOGY, AND CAPACITY CONSTRAINTS

To effectively design a Pakistan cotton sector traceability system, developers must consider major sector wide constraints. Barriers to scalable and effective traceability include:

- **The resources and commitment required for effective due diligence.** Implementing robust supply chain due diligence, takes time and management commitment across the supply chain. Company management and control systems, including sourcing policies, are required to confirm that all cotton inputs come from traceable and verified sources. While certification programs cover much of Pakistan's cotton trade, downstream companies have traditionally applied limited due diligence requirements for spinners and mills, particularly as they relate to origin and production conditions of material inputs at key supply chain choke points, which remain voluntary.
- **Internet access.** Access to the Internet is low in rural farm, with only about 17% of the population having access.¹⁴⁹ In villages and rural areas, Internet usage is only about 8%.¹⁵⁰ Pakistan, however, has a relatively high level of mobile phone use at about 75% (primarily but not exclusively urban). Mobile and/or physical paper solutions are likely required at the first mile traceability and labor verification.
- **Subcontractors and traders.** While detailed evidence on subcontractors in Pakistan is limited, available research identifies subcontracting as prevalent in the textile value chain in developing countries. To meet tight deadlines and complete unanticipated orders, manufacturers subcontract certain production processes to factories in the second and third tiers of the value chain – subcontractors may include spinning, dyeing and other functions, mostly operating in the informal sector.¹⁵¹
- **Stakeholder participation, resources, and buy-in.** Government and organized worker support and participation, in addition to business, can also help ensure the success of a sustainable cotton traceability system. An effective strategy includes informing these and other key stakeholders of the traceability effort, consulting with them to determine how to best implement it, and, to the extent possible collaborating with them on implementing the effort, reviewing results, and developing a sustainability plan. For governments, an effective role requires an appropriate mandate, strategic planning, resources and training to fulfill their roles in education, enforcement, and tripartite cooperation. It also requires the collection of data and public reporting of results. For unions, they require enabling legislation consistent with freedom of association principles, the ability to organize and collectively and individually represent workers and advocate for their interests in the key sectors and engage in strategic planning. At their best, unions help ensure compliance with the law and basic rights through daily diligence at the workplace. NGO's may effectively advocate for worker interests, though they may not collectively bargain on behalf of workers. Pakistan has no known union representation at the farm level, though unions represent some workers at the garment factory level. Unions advocate for worker rights and interests at the national level and NGO's advocate for worker rights, to varying degrees of effectiveness at different levels of the supply chain.

Due Diligence in the Textile Sector

The *OECD Due Diligence Guidance for Responsible Textile and Footwear Supply Chains* presents a risk-based, process to help companies respect human rights through purchasing decisions and practices. The *Yarn Ethically and Sustainably Sourced (YESS) Standard* seeks to scale the due diligence management approach to choke points in the cotton and textile industry.

YESS seeks to implement industry-wide due diligence for spinners and mills, which will support the elimination of cotton produced with forced labor to those facilities. The standard focuses on management systems and material control systems to ensure reconciliation of all cotton inputs within a facility.

149. Alliance for Affordable Internet (A4AI). [Pakistan Connectivity Brief](#), 2020.

150. Ibid.

151. Zhou, M. ILO. [Pakistan's Hidden Workers: Wages and conditions of home-based workers and the informal economy](#), 2017 pp., 7-22.

5. CONCLUSION

This Report aims to better inform efforts to eliminate child labor, forced labor and other abusive labor practices in Pakistan's cotton supply chain through traceability. To effectively design and implement traceability tools, it is essential to map the contours of the Pakistan cotton supply chain and understand all the tiers and its traceability landscape, as well as the labor related risks, particularly for child and forced labor. It is also essential to understand the contours of Pakistan's cotton economy, law and policy and its labor laws and administration, particularly regarding its devolution of power to provincial authorities. Moreover, it is key to understand the prevalence of child and forced labor and the role of stakeholders in government, worker and employer organizations, and NGO's.

The Report provides a snapshot of a dynamic environment; the facts and circumstances will need to be periodically reevaluated to ensure that due diligence, with traceability as one important aspect of such efforts, is meaningful and effective. The Project's pilot traceability tool will provide more information and a foundation for improving efforts to track and measurably reduce child labor, forced labor and other abusive practices in global supply chains. Engaging a wide range of stakeholders in business, finance, government, international organizations, and civil society, including unions and NGOs, is essential to ensure that such efforts are sustainable in mining as well as other industries.

6. ANNEX I: EXAMPLES OF COTTON TRACEABILITY AND VERIFICATION DATA POINTS

Tier	Critical Events	Illustrative Key Data Elements for Consideration in System	
Farm	User Onboarding Baseline community and site level risk assessment Sale Farm monitor alerts	Transportation method Farm Group Farming method/s	Location Geocode Date of Shipping Weight at point of sale
Gin	User Onboarding Purchase Transformation Sale Transport Audit Grievance Reports	Date and time Location Geo-Coordinates Ginner ID Weight (Weighbridge)	Bale ID Shipment/Batch ID Processing event details Audit details Quantity Grievance report details
Spinner	User Onboarding Purchase Transformation Sale Transport Audit Grievance Reports	Transportation details Open Apparel Registry ID Batch ID SKU Processing Event Details	Location Geo-Coordinates Date and Time of Collection/ Shipping Transactions Certificates Quality Quantity Weight Audit details
Mills	User Onboarding Purchase Transformation Sale Transport	Transportation details Batch ID SKU Processing Event Details	Location Geo-Coordinates Date and Time of Collection/ Shipping Quality Quantity Weight

7. ANNEX II: KEY STAKEHOLDERS

Name	Classification	Description
Ministry of National Food Security and Research (Ministry of Agriculture)	Government Agency	Cabinet-level ministerial department implementing, enforcing, developing, and executing agriculture policy, also known as the "MOA." The Pakistan Central Cotton Committee (PCCC) and Central Cotton Research Institute (CCRI) work under the MOA.
Ministry of Commerce - Textiles Department	Government Agency	Department within the Ministry of Commerce focused on programs to bolster the competitiveness of the textile sector and achieve market access for Pakistani textile products in foreign markets.
Department of Agriculture Extension (DAE) Services	Government Support Service	DAE provide extension services directly to farmers implementing agriculture development projects through numerous field staff offices across provinces.
All Pakistan Textile Mills Association (APTMA)	Industry Association	The largest trade association representing textile spinning, weaving, and composite mills. Membership from across the textiles sector.
Karachi Cotton Association	Industry Association	Cotton association for Pakistan that maintains the code of trading practices, with rules, regulations, and bylaws including the standards for the classification of cotton.
Pakistan Cotton Ginners Association	Industry Association	Key industry association for cotton ginners, representing almost 1,000 members/ginning SMEs.
Pakistan Cotton Standards Institute (PCSI)	Industry Association	PCSI establishes and promotes cotton standardization based on internationally accepted grading and classification systems.
Pakistan Farmers Association	Industry Association	Cotton farmers representation in the cotton value chain. Key insights into labor conditions at the farm level.
Pakistan Textile Garment and Leather Workers Federation	Worker Organization	Federation of unions representing about one million workers in irrigation, textile, garments, leather, transport, gas, engineering, local bodies, banking, insurance, sports & surgical goods, fertilizer, automobile, sugar, cement, chemicals, pharmaceutical, hotels, and others.
Pakistan Readymade Garments, Manufacturers & Exporters Association (PRGMEA)	Industry Association	Aids textile mills, garment manufacturers, and exporters to promote and advance the trade environment.
Pakistan Textile Exporters Association (PTEA)	Industry Association	Advocates for textile exporters and manages communications with government on the behalf of exporters.
WWF-Pakistan, Cotton Connect Pakistan, Better Cotton Initiative Pakistan, Lok Samujh Foundation, REEDS, Rahim Yar Khan Pakistan, Sangtani Women Rural Development Organization, Smart Agriculture	CSO and NGO Partners	Implementers of upstream traceability programs or partners to these on-the-ground traceability initiatives. Important to consult with these experienced stakeholders to understand and analyze on the ground conditions and common practices at farm level.
University of Agriculture Faisalabad UAF (department of fiber and textile technology) & National Textile University NTU Faisalabad	Academia	Public sector universities with strong academic interests and programming in cotton and textiles sector.



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