

BCI COUNCIL AGREEMENTS 2017

Meeting, January 25-26

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MEETING, 25-26 JANUARY

Agenda ITEMS

1. Welcome, introductions and Approval of the agenda
2. Meeting Overview
3. Election of the new Chair & Vice Chair
4. 2016 Review
5. 2017 Annual Operating Plan (AOP) – Introduction
6. Special focus – Priority 9: ICT Strategy
7. Crisis preparedness and communications priorities
8. Special focus – M&E Strategy
9. Wrap-up of AOP priorities
10. Questions and comments
11. Finance
12. Wrap-up
13. Review of Day 1 – Conclusions
14. (was item 16) Council Members' inputs to agenda
15. Governance
16. (was item 15) 2017 Council and Members Meeting Berlin
17. Any Other Business, Conclusions and adjournment

DECISIONS / ACTIONS

1. Welcome, introductions and Approval of the agenda

Susi Proudman in the chair

- New Council Member Marc Lewkowitz of Supima was welcomed to his first Council meeting.
- Apologies from Sunil Runil Kumar Rana, who has resigned from Ambuja Cement Foundation. Ambuja will name a successor in due course.
- Susi Proudman, Vice President of Global Apparel and Equipment Materials at Nike had announced her reluctant decision to step down from the BCI Council. Michelle Miracle, Senior Director of Global Apparel at Nike, was welcomed as Susi's successor.
- Dr Sarvareddy was excused, having had to cancel at the last minute.
- Council members were requested to respond to a poll to select a date for the next Council call in March.
- The agenda was approved with one slight change, bringing item 16 forward to item 14.

2. Meeting overview

The Chief Executive noted that the principal business of the meeting was to finalise the Annual Operating Plan (AOP) for 2017 much of which had been previously discussed and substantially agreed by Council. This meeting would focus on three prioritised areas of work for 2017.

3. Election of the new Chair

After discussion:

- Barry Clarke, Independent, was unanimously elected chair.
- Phil Townsend, Sustainable Raw Materials Specialist at Marks and Spencer, was unanimously elected vice-chair.

These posts will be held for the remainder of the current mandate, which will come to an end at the next General Assembly in June 2018.

Barry Clarke in the chair.

Barry thanked Council Members for their support and welcomed the appointment of Phil Townsend who has exceptional experience in driving sustainability through supply chains in many sectors.

He also warmly thanked and congratulated Susi Proudman for her outstanding leadership of BCI through her time in office.

4. 2016 Review

The CEO reviewed the 2016 dashboard with Council. Of the 2016 organisational priorities, three have been fully implemented:

- M&E Strategy: Build for mainstreaming phase 2015-2020
- USA: Expand strategically to meet demand
- Declared uptake (500K): recruit 16 new retailer/ brand members.

Five organisational priorities showed notable progress but are not yet completed:

- New standard: Roll-out and implement
- IP performance: demonstrate measurable improvement
- Declared uptake (500K): deliver high quality member services
- GIF: smooth year 1 implementation
- HR policies: implement competency framework.

The 2016 year-end report was approved. The Council expressed satisfaction with the 2016 results and thanked the Secretariat for their success and for the transparency with which the results had been presented.

5. 2017 Operating Plan

5.3. Operational priorities 2017

The ET briefly reviewed the nine priorities of the 2017 AOP. Council had approved the general direction of the priorities during their calls in November and December:

1. Bring demand to 1m MT declared by Retailers and Brands
2. Secure 2017- 2020 funding for the BCI and GIF
3. Develop and launch a field-level Innovation Framework
4. Reinforce robustness of implementation through learning and continuous improvement
5. Roll-out revised Standard and training programme
6. Develop tools for Retailers and Brands to communicate about impact
7. Clarify and reinforce BCI brand positioning to support uptake and communications
8. Develop frameworks to meet increased scrutiny and manage potential communications crises
9. Centralise ICT strategy: integrate systems and develop the Project Database.

The CEO made clear that there was no rank order among these nine priorities which all needed ongoing attention. **Council confirmed agreement with the proposed priorities for 2017.**

6. Special focus – Priority 9: ICT Strategy

Council fully supported the need to invest in ICT and recognised its importance for operational efficiency.

The ET was requested to ensure appropriate resources were made available before implementing since IT is an area where costly mistakes are easily made. For the in-house resource, Council recommended considering two different profiles: one on the strategic aspects and the other on the implementing / operational side. On practical aspects, the COO confirmed the solution is cloud based and that BCI will use existing systems rather than creating a new platform.

Action: Prioritise ICT in the agenda for the March Council call with the aim of reviewing a more detailed work plan and budget.

8. Special focus – Priority 6: M&E Strategy

The Director of Standards & Assurance (DSA) requested Council inputs on two topics: the BCI's Theory of Change (ToC) map and the Annual Operating Plan (AOP) priority: measuring and communicating the impact of sourcing Better Cotton.

8.1 Theory of Change

The importance of the ToC map was largely acknowledged

Action: DSA to consider Council feedback and update / edit map where so required. DSA to look at options for creating complementary maps which could be used for communications and engagement. Final version to be submitted in March.

8.2 Impact measurement

On measuring and communicating the “impact” of sourcing Better Cotton, the Director of Standards & Assurance highlighted the conflicts between the BCI data sharing policy and claims framework and many data and claims requests from BCI members and stakeholders. He presented the BCI M&E programme and confirmed BCI's good practices in building M&E Systems.

Council supported the process presented.

9. Wrap up of priorities

- Council emphasised that Demand remains crucial. The ET recognised the challenge but confirmed that BCI has the resources and methodology to achieve priority one (1MT uptake by R&B).
- On Fundraising, the CEO confirmed that the ET and all Senior Managers at BCI are required to support the work and contribute expertise from their respective fields
- On IP performance / Field experience, the risk to performance was acknowledged and noted.
- On the standard revision, the S&A team is in the process of finalising the integration of feedback and will compile and respond to all comments.

Actions:

- **Include Innovation in the next Council meeting and present a draft framework.**
- **Prepare the final draft of the new standard between March and April and bring for Council approval during BCI Global Cotton Conference.**

11. Finance

11.1 Financial results 2016 and Budget 2017

The COO presented the financial results for 2016 and the budget for 2017 and thanked the Finance Committee for the dedicated work. Council was reminded that two seats on the Committee are waiting to be filled. Council agreed that it would be possible to recruit committee members from outside the Council.

Council approved the 2016 Financial Results and the 2017 Budget

11.2 Fundraising

Council noted the significant gap in GIF funding in the medium term. CEO confirmed that transforming BCI's business model and long term strategy was an ongoing agenda item.

Action: ET to develop proposals for long term business model though 2017 for discussion with Council before the year-end.

The 2016 Performance Award and 2017 COLA were approved by Council.

14. Council Members' inputs to agenda

Bilal Israel Khan raised some concerns on Pakistani Cotton and growers moving out to other crops (mainly sugar canes).

Recognising the crucial importance of these issues, the ET noted that National Stakeholder Councils (as included in the BCSS) are the most appropriate platform to deal with specific domestic challenges. In addition, the IP symposium in Hong Kong was a good opportunity to exchange international knowledge and the Secretariat plans to organise annual IP symposiums. The collaboration with national research institutes and the need to integrate key challenges in continuous improvement and innovation discussions was highlighted.

Agreement: Council Members are welcome to submit items for discussion by Council but should notify the CEO 6 weeks in advance to allow proper review and consideration by the Executive.

Action: Bilal to send his recommendations to the standards revision process team. All comments on the draft revisions will receive a reply in accordance with ISEAL best practice.

CALL, 13 MARCH**Agenda ITEMS**

1. Update on action agreed at the January Council meeting
2. General update on the 2017 AOP
3. Berlin meetings and agendas
4. Any Other Business

CEO opened the meeting. The agenda was approved by the Council.

- 1. Update on action agreed at the January Council meeting**
 - a. Detail on the ICT work plan and budget (AOP priority)**

In January, the Council fully supported the need to invest in ICT and recognised its importance for operational efficiency. The Chief Operating Officer updated the Council on the ICT objectives, and presented a more detailed work plan and budget. The focus in 2017 will be to integrate systems, automate functions where this makes sense and develop the Online Project Database (OPD) as a priority.

In total, 2017 budget for IT development is 775'000 EUR. That includes staff time, development time and license fees. The COO confirmed that BCI is on track on the budget and in the process of signing a new contract. The new contract includes new periodic updates and new functionalities.

The EG recognises the importance of data security and the fact it will become more and more crucial.

The Council was satisfied with the progress made.

- b. Theory of Change Map (ToC): integrate Council comments and look into alternative versions for communication purposes**

In terms of process, the Director of Standards explained his team was working on the design phase. At the same time, BCI is revisiting the overall BCI house style (project lead by the Communications team). Hence, the two projects are being developed in parallel in a coherent manner. The sketch phase is time-consuming and includes discussion between BCI and the designer to lead to the final versions. There will be three different versions to be used for different purposes.

The illustration of BCI's investment model will be done during the sketch phase. The S&A team is also calling upon designer expertise and creative skills to propose the best way to capture the cyclical nature of the ToC. As suggested during the January meeting, BCI will follow the example of UTZ and propose a simplified / alternative version for communication purposes. It was emphasised BCI will have only one ToC with alternative ways to visualise it and use it for different purposes.

The S&A team will also look at giving more visibility to supply chain actors as appropriate either in the map or the associated narrative document. They are currently present in the narrative document.

c. Governance review – report on progress

The Chair recalled the agreements reached during the January meeting and subsequent Governance Working group meeting. These include the preference for a simple governance body and maintaining a majority of the Council being elected by the members through their caucuses. There is a scope for an advisory body, working as a panel rather than as a committee. The biggest challenge which remains unresolved is the future election process, and more specifically the structure of the caucus system. Currently, there are 4 caucuses, with equal rights to be represented by three Council members.

The CEO reviewed the caucus system and the results of the 2016 Council Election. As of March 1, membership representation is

- » Retailers & Brands (R&Bs): 69
- » Producer organisations (POs): 31
- » Civil Society organisations (CSOs): 34
- » Suppliers and Manufacturers (S&M): 879
- » Associate Member: 10

This makes it clear that the S&M caucus is by far the largest category of membership and that the working group will take that and other issues into consideration. The CEO also pointed out that, while the BCI governance structure can be considered to be robust, there were a number of other issues to be addressed:

- » there were no candidates for the PO category in the 2015 Council Elections.
- » The POs have not always been active as a caucus
- » Associate membership is potentially underexploited
- » Foundations and donors could continue to form part of the CSO caucus.

The working group was asked to continue its work and to include within its considerations:

- » The organisation and structure of the caucuses and the number of seats on Council to which each should be entitled
- » The engagement of Producer Organisations from priority countries
- » Possible duality of interest i.e. Council Members belonging to more than one category of membership.

Action:

- **The CEO and governance working group to note the comments of Council Members and report progress to Council in May**
- **FU to send a doodle for a Governance Working Group call in early / Mid-April.**

2. General update on the 2017 AOP

a. Uptake

It is too early in the season to know if BCI is behind target.

b. Comms priorities and recruitment

The CEO confirmed that recruitment of the various open positions is proceeding as planned. The gap in the communications function will be felt for several weeks.

3. Berlin meetings and agendas

The CEO highlighted the agenda:

- Donor meeting, Monday May 15
- Council meeting, Monday May 15 & Tuesday May 16
- Members meeting, Tuesday May 16
- Global Cotton Conference, Wednesday 17 and Thursday 18 May

He noted the Council Meeting will shorter than previously. The innovation is the donor meeting for existing and prospective donors on Monday afternoon (overlapping with the Council meeting). A joint donor-Council networking reception will take place on the evening of Monday May 15.

Council Members requested that extensive pre-reads be prepared and issued early enough before the Council Meeting to allow them to engage directly in discussion on site without any time spent on introducing topics.

The Chair encouraged all Council members to encourage participation in the Global Cotton Conference among their networks to ensure high quality attendance.

4. Any Other Business

The vice-chair noted that several outside meetings are being organised at the same time as BCI Council and member meetings, to take advantage of the convening power of the conference.

On Standards revision, the Director of Standards confirmed the consultation has been closed and 64 responses were received. The Standard and Learning Manager is analysing and compiling all relevant comments on principles 1, 2 and 3. The key feedback will be discussed with the Standard Committee on Monday 20th of March. Pre-reads on other categories of Standards (4, 5, 6 and 7) will be sent to the standard Committee in the following month.

The Chair thanked Council Members for their participation and closed the meeting.