



BCI BCI COUNCIL AGREEMENTS 2010

Orientation

The BCI Council By-Laws state that a summary of the decisions of the Council shall be made public. This document recapitulates all the agreements made by the BCI Council in 2010.

Contents

Call, 27 January 2010	2
By email, 23 February 2010	2
By email, 2 March 2010	2
Meeting, 4 - 7 May 2010	2
Call, 28 June 2010	3
By email, 29 September 2010	4
Meeting, 5 - 8 October 2010	5
Call, 8 December 2010	6

Call, 27 January 2010

The fee waiver process must be respected, so in this case. IKEA and Gap Inc. are required to shall pay their full membership fee in 2010. Some flexibility in the terms of the payment schedule will be offered to Gap Inc.

A BCI Development Committee composed of donors who provide at least 100k EUR funds to the BCI per year and for which the quorum will be 51% of the members of the Committee being present will be established.

The cotton grown by farmers involved in a BCI project, who do not meet the Better Cotton requirements, will not be segregated by the BCI supply chain system.

By email, 23 February 2010

AProCA (African Cotton Farmers) were approved for membership of the BCI retrospectively with starting date of 1 January 2010.

By email, 2 March 2010

Cotton Connect was approved for membership of the BCI retrospectively with starting date of 1 January 2010.

Meeting, 4 - 7 May 2010

Finances

The 2011 budget will be increased as follows: EUR 15,000 for governance, EUR 45,000 for a second Staff in Pakistan and India to focus on supply chain work with ginners.

The BCI will have a reserve policy consisting in keeping automatically any year-end surplus in reserve until the 3 months operating cost reserve is secure, with any additional surplus beyond this to be used on the basis of Council approval only.

Collaborating with other initiatives

The BCI will apply to join ISEAL Alliance as an affiliate member.

The Executive Director will decide whether the BCI should join the DEFRA Sustainable Clothing Roadmap.

The BCI will work with CMiA to identify a collaborative framework.

Membership fees

The following steps for the revision of the membership fee structure were agreed:

- Keeping membership fees the same for the rest of 2010;
- Revise the cotton volume calculation by:
 - Changing the loss ratio to better reflect reality of import / export
 - Adding a 'simple calculation' that rounds up
 - Adding the Swiss inflation rate each calendar year to all fee levels

Financing model

The following steps for the development of a future financing model of the BCI were agreed:

- The BCI will revise its goal of 60% of the association's operating costs to be covered by membership fees in 2012 as part of the review of the strategic plan in October 2010.
 - The BCI will review its financing model as part of the planned 2012 evaluation, or as necessary, at the earliest for January 2012.
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ICT Platform development

The BCI will further explore the possible contractors for the development of the Information and Communication Technology Platform, with a final decision devolved to the Executive Director - provided that the quote remains within the available budget.

3rd party verification

The BCI will contract the Fair Labour Association to develop the 3rd party verification protocol for BCI – provided that the cost is within budget, and that FLA will manage BCI's 3rd party verification for 2010 / 2010.

Supply Chain

A BCI Supply Chain Working Group will be set-up.

Governance

Farmers Associates of Pakistan was appointed to sit on the Council as a producer organisation.

Michael Kobori was appointed as a member of the Executive Committee.

The Terms of Reference for the Advisory Committee were approved provided that the recommended changes (add expertise on water, and fundraising, mention the need for balanced representation of various expertises, change networker to influencer) are integrated.

Communication

The consultation process in China will include a point that the communication on what is or isn't Better Cotton is accurate and consistent.

The support paper for media enquiries on Uzbekistan was approved with noted changes included.

The position paper on child labour was approved to go in the communication tool kit for BCI members.

The position paper on BCI and Planting Seed was approved to go in the communication tool kit for BCI members.

The position paper on Genetically Modified (GM) Cotton was approved to go in the communication tool kit for BCI members.

The detailed list of BCI farm projects with related gins will be shared with Retailers and Brands Members only if they have met their minimum obligation to contribute financially to farmer support.

The development of a framework for graded access to communication tools and materials will be de-prioritised.

Call, 28 June 2010

Office bearers

The following representatives of the organisations member of the Council were elected office bearers for one year (starting on 1 July 2010):

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|-------------------------------|------------|
| • Guido Verijke (IKEA) | Chair |
| • Walter Wagner (WWF) | Vice-Chair |
| • David Rosenberg (Ecom) | Treasurer |
| • Janet Mensink (Solidaridad) | Secretary |

Advisory Committee

The following individuals were appointed as BCI Advisory Committee members:

- Pins Brown
- Simon Ferrigno
- Clara Guasch
- Andrew Macdonald
- Richard Pollard
- Colin Poulton
- Orla Quinlan
- Terry Townsend

Membership

The following organisations were approved as BCI members as of 1 July 2010:

Suppliers & Manufacturers

- American Cotton Growers
- Kariwala Industries Ltd
- Rajvir industries
- Winsome Textile Industries Ltd

Civil Society

- International Labour Rights Forum

Associate Members

- Uster Technologies
- Société Générale de Surveillance (SGS)

Retailers & Brands

- Tesco Clothing

The following organisations were NOT approved as BCI members:

- Farmers Development Organisation
- 5 producer organisations (Bhumi Vikas Krushuk Sanstha, Narmada Kisan Sanstha Samiti, Paschim Nimar Krishi Utthan Sanstha, Raj Rajeswar Krishuk Sanstha, Veda Krushuk Jyoti Sanstha Samiti)

By email, 29 September 2010

Membership

The following organisations were approved as BCI members as of 1 July 2010, retrospectively:

Suppliers & Manufacturers

- NSL Textiles

Civil Society

- Action for Food Production (AFPRO)
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Meeting, 5,7, 8 October 2010

Better Cotton System review: Farm Assessment

The BCI secretariat will further review the Farm Assessment mechanisms based on experience and feedback during 2010 and propose changes to the Council in January 2011.

Better Cotton System review: Supply Chain

The BCI secretariat's work in 2011 will focus on:

- Upgrading the bale tracking system (improve it so it closes the loop and make it work with existing systems) only up to the gin
- Increasing the field level resources
- Finding cost covering mechanism for ginners and working on timely payments to farmers
- Giving the Supply Chain Working Group a critical role to enable greater understanding of the roles of different supply chain actors.

The Secretariat will consult with members on moving forward with the VTT technology for Better Cotton.

The Secretariat will work on finding cost covering mechanisms for ginners.

The BCI members have access to detailed information about BCI projects when they have complied with their membership obligations on farmer support.

Better Cotton System review: monitoring and evaluation

All supported the following approach for Social Results Indicators:

- To collect compliance indicators
- To collect qualitative stories on changes
- To conduct an impact assessment in line with the ISEAL code of good practices for assessing the impacts of social and environmental standard systems

Governance

Francesca Mancini was appointed to the Advisory Committee.

All agreed to remove the article 5.2 of the Council By-Laws and to remove "as per article 8.1.2.a. of the Statutes" in article 5.1 of the Council By-Laws.

For operations in Switzerland, David Rosenberg (treasurer) and Lise Melvin (Executive Director) have sole signature rights.

The following individuals representing their organisation were appointed to the Grievance Management Committee:

- Civil Society: Cotton Inc., represented by Janet Reed
- Producers: AProCA, represented by Moussa Sabaly
- Retailers & Brands: KappAhl, represented by Eva Kindgren

All agreed to look at how the BCI Council members can consult with and inform regularly the BCI members where this need is expressed:

- A caucus group will be set up for the retailers and brands category;
- For other categories, this will be proposed too and set up if interest is expressed by members.

All agreed to set up a UK charity for BCI.

Membership

All approved the following organisations as members:

- Sunny Trexim, Suppliers & Manufacturers, India
 - Patspin India, Suppliers & Manufacturers, India
 - Amin Textile Mills, Suppliers & Manufacturers, Pakistan
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- Fazal Cloth Mills, Suppliers & Manufacturers, Pakistan
- Nahar Spinning Mills, Suppliers & Manufacturers, India
- Ahmed Fine Textile Mills, Suppliers & Manufacturers, Pakistan
- Kassan-Dost Association, Producers, Pakistan

From 2011 application for membership can be made at any time with membership starting the 1st of the month following the Council approval.

Strategic plan review

All agreed to continue with the essence of the BCI Strategic Plan 2012 with modifications to improve the delivery of the plan.

All agreed that the Executive Director may take the decision that an entire Project (or Producer Unit(s)) will not qualify to sell Better Cotton, if the 10% credibility checks carried out by the Implementing Partner show 100% failure rate, and the credibility checks carried out by the BCI Regional Coordinator show a 100% failure rate, and the 3rd party verification shows a 100% failure rate.

All agreed that the BCI will ensure that all BCI farmer support projects include a standard % for BCI project services - with some flexibility about this rule.

All supported the strategic top line approaches for BCI in 2013 consisting in focusing on:

- Completing the effective evaluation on 2010-12;
- Changing the Better Cotton System and the organisation to support mainstreaming and simplification;
- Transitioning the projects started in 2012;
- Preparing to open up system for 2013/2014 growing season – easy access to Better Cotton market;
- Communicating on how BCI / Better Cotton have changed and why.

Finances

The Quarter 3 (end of September 2010) financial report was noted by the Treasurer.

The Council approved in principle the proposed 2011 budget up to 1.6 million Euros, and requested a revised budget giving an indication on how additional funding will be spent as it comes in in 2011. The above will be submitted for approval by the Council in December 2010.

Call, 8 December 2010

The following organisations were approved for membership of the BCI:

- Abishek Industries (Supplier and Manufacturer –Other Intermediaries)
- KİPAŞ MENSUCAT(Supplier and Manufacturer - other)
- MQ (Brands and Retailers)

The Council approved to include the Advisory Committee members in the consultation process on application for membership.

All approved the appointment of Amin Textile Mills, from Pakistan, represented by Amin Tariq to sit on the Grievance Management Committee.

All approved the proposed changes to the Grievance Management Process (please refer to the revised Grievance Management Process:

http://bettercotton.org/files/Governance/BCI_Grievance_Management_Process_final_eng_ext.pdf

The Council unanimously approved a total 2011 budget of Euro 2.7 million with an associated prioritisation of expenditure based on income secured.