



BCI BCI COUNCIL AGREEMENTS 2011

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 2011.

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Call, 25 January 2011

The following organisations were approved as BCI members:

- Stadium (Brands and Retailers / Sweden)
- Ambuja Cement Foundation (Civil Society / India)
- Action for Social Advancement (Civil Society / India)
- Bimeco Garnhandel (Supplier and Manufacturer - Other Intermediaries / Germany)
- Kasim Textile Mills (Supplier and Manufacturer - Other Intermediaries / India)
- Maral Overseas (Supplier and Manufacturer - Other Intermediaries / India)
- Olam International (Supplier and Manufacturer – Trader / Singapore)

By mutual agreement of the Council and the organisation, the membership of Sunny Trexim is terminated.

All approved the following changes to the Farm Assessment mechanisms:

1. 3rd party verification visits will be carried out during the season, before the Producer Unit Report is completed, and will inform the decision making on compliance by the BCI Regional Coordinator.
2. 2nd party credibility checks and 3rd party verification procedures will be aligned. A Producer Unit may be entirely disqualified based on a zero level of confidence reported from all visits (both 3rd party and 2nd party) during the season. Zero level of confidence will be determined by an assessment during visits against Key Parameters that relate directly to the role of the Producer Unit.
3. Global sampling size will be based on a calculation of the SQRT of the number of Producer Units. This will be the minimum # of verification visits to be carried out in 1 year. The PU / LGs will still be selected 50 % on risk and 50 % on random. Those Producer Units that were 3rd party verified previously and are performing well will be removed from the sampling pot. In addition sampling procedure for each verification visit will be more stratified (geographical location (PU), not the same LG / LFE / PU as before, LG / LFE facilitators, logistics).
4. A flat fee will be charged to all Large Farm Employers according to a graded scale based on the area (hectares) under cotton crop that has been chosen by the farmer to implement BC (regardless of whether they qualify or not). This will be collected for BCI by the IP.
5. A sampling size scale will be used to determine what % of Learning Groups should be checked by the Implementing Partner. This will take into account diminishing returns. Clearer guidance and procedures will be given to conduct these 2nd party checks.

By email, March 2011

The following organisations were approved as BCI members:

- Pratima Agro & Paper (Suppliers and Manufacturers – ginner, India)
- Kissan Dost (Producers, Pakistan)
- Kashtar Developing Organisation (Producers, Pakistan)
- Sanko Tekstile (Suppliers and Manufacturers - other intermediaries, Turkey)
- Vicunha (Suppliers and Manufacturers - other intermediaries, Switzerland)
- Patel Cotton (Suppliers and Manufacturers – ginner, India)
- Ashima Group (Suppliers and Manufacturers - other intermediaries, India)

Call, 14 April 2011

The Council approved the audited financial report for 2010.

The Council approved that the balance of funds from farmer support in 2010 (14,775 EUR) are reallocated to cover BCI farm level project service costs in 2011.

The Council approved that the total equity of 51,434 EUR from BCI Global / National operations should be used for further registration of the BCI trademarks beyond Switzerland.

The Council approved the financial commitment for the development of the BCI ICT platform

By email, 3 May 2011

The following organisations were approved as BCI members:

- Jackpot (Retailers & Brands, Denmark)
- Huaifu (Suppliers and Manufacturers - other intermediaries, China)
- Cresox (Suppliers and Manufacturers - other intermediaries, Pakistan)
- Orta Anadolu (Suppliers and Manufacturers - other intermediaries, Turkey)
- Umer Group (lessed Textiles, Faisal Spinning and Bhanero Textiles) (Suppliers and Manufacturers - other intermediaries, Pakistan)
- TRC Candiani (Suppliers and Manufacturers - other intermediaries, Italy)

Meeting, 30 May – 1 June 2011

All approved to include the conflict of interest management procedure in the Council By-Laws

All approved to begin implementation of the Better Cotton System in Tajikistan in 2012, conditional on securing BCI up-front investment costs and BCI annual running costs (on top of the 12% BCI project service costs) by September 2011 and confirmed in a written contract for BCI funding.

The Council unanimously supported the strategic priorities for 2012 as proposed by the BCI Executive Director.

The Council elected the following office bearers for 1 July 2011 – 30 June 2012:

Chair	Michael Kobori (Levi Strauss & Co.)
Vice-chair	Hammad Naqi Khan (WWF)
Treasurer	David Rosenberg (Ecom Cotton Group)
Secretary	Bilal Israel Khan (Farmers Associate of Pakistan)

All approved the Data Protection Policy

All approved the revised budget for 2011, at a total of Euro 2,844,000.

All approved that BCI contracts external expertise to deliver a proposal for a new financial revenue model for the Council's approval in November 2011.

All approved that a potential BCI member (in application for membership) who appears on an internationally recognised default list will not be approved as a BCI member until removed from the default list.

All approved the policy on different levels of services and information being provided to members based on how far they have met their membership obligation on farmer support

All approved the proposal for collective communications, including the establishment of a communications working group.

By email, 20 June 2011

The following organisations were approved as BCI members:

- Shanghai ShenAn Textile (Suppliers and Manufacturers - other intermediaries, China)
 - Marsan (Suppliers and Manufacturers - other intermediaries, Turkey)
 - Nishat Textiles (Suppliers and Manufacturers - other intermediaries, Pakistan)
 - US Denim (Suppliers and Manufacturers - other intermediaries, Pakistan)
 - Ginatricot (Retailers & Brands, Sweden)
 - Inditex (Retailers & Brands, Spain)
 - ETF Tekstil (Suppliers and Manufacturers - other intermediaries, Turkey)
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- NSL Cotton Corporation (Suppliers and Manufacturers - other intermediaries, India)
- Artistic Milliners (Supplier and Manufacturer - Other Intermediaries, Pakistan)

Call, 26 July 2011

All approved the Key Messages for Strategic Priorities 2012:

What we SHOULD do	What NOT to do	Key Messages for 2012
Evaluate our successes, and adapt the BCI model / approach, and Secretariat structure for 2013 scaling up	Make adaptations to the system implementation requirements in 2012	We've proved it can be done. In 2010/11, farms in Brazil, India, Mali and Pakistan successfully produced Better Cotton and products with Better Cotton will be in the stores by the end of 2011. Now we are working with Members to review/refine our system and methods to be able to really go global. We want to continue being inclusive, and be able to offer all regions the same level of service and support.
Develop a more inclusive approach, particularly for large farms i.e. Brasil, US	Set up in new countries that are not currently (mid-2011) on their way already	
Expand existing reach of Implementing Partners by increasing number of farmers in existing projects; Hold National Stakeholder Councils	Sign up new Implementing Partners / Start new projects	So 2012 will be a transition year. We will continue negotiations/plans for only those regions where we've already begun discussions, and focus on increasing the number of farmers in existing projects. We will also hold National Stakeholder Councils, which we hope will heighten engagement and smooth the way for quicker country-wide adoption of Better Cotton practices.
Analyse and present results of work to date – especially at national level	Commission external studies that do not directly contribute to strategic evaluation	We are developing an online project database to better support learning and evaluation, and already have an improved version of the online Bale Tracker. We are also exploring how we can make specific aspects of the Better Cotton system more innovative and efficient. Long-term change requires a dynamic approach. It's not just about teaching others to do things differently, better – it's also about us as a multi-stakeholder organisation, sharing ideas and challenges with each other, learning to do things better and adapting on time to changing circumstances. Be patient (we are trying to learn from our successes and mistakes). Be vocal (tell us how we can improve services and add value). And invest wisely (things may change).
Technical scale up at ginner level – programme (testing mobile phone concept)	Expand BCI traceability services beyond the ginner (wait until value capture from this is clear)	
Model for financial sustainability by 2015; Try auxiliary member services as additional income generating activities (testing)		

The Council approved that the Secretariat continues to develop the collaborative framework with CmiA towards a one-way recognition of CmiA cotton as Better Cotton.

By email, 11 August 2011

The following organisations were approved as BCI members:

- Winnitex (Supplier and Manufacturer –Other Intermediaries). Based in China.
- Hussain Mills (Supplier and Manufacturer –Other Intermediaries). Based in Pakistan.
- Kassim Textiles (Supplier and Manufacturer –Other Intermediaries). Based in Pakistan.
- Bros Eastern (Supplier and Manufacturer –Other Intermediaries). Based in China.
- Zorluteks (Supplier and Manufacturer –Other Intermediaries). Based in Turkey.
- Top Star Textiles (Supplier and Manufacturer –Other Intermediaries). Based in China.
- Mafatlal Denim Limited (Supplier and Manufacturer – Ginners). Based in India.
- Hateks (Supplier and Manufacturer –Other Intermediaries). Based in Turkey.

By email, 7 September 2011

The following organisations were approved as BCI members:

- Sapphire Fibers Limited (Supplier and Manufacturer –Other Intermediaries). Based in Pakistan.
- Bestseller (Brands and Retailers). Based in Denmark.
- Malwa Industries Limited (Supplier and Manufacturer –Other Intermediaries). Based in India.
- Vardhman Textiles Ltd (Supplier and Manufacturer –Other Intermediaries). Based in India.

- Gulistan Textile Mills Ltd. (Supplier and Manufacturer –Other Intermediaries). Based in Pakistan.
- Hantex (Supplier and Manufacturer –Other Intermediaries). Based in Pakistan.
- Saif Textile Mills Ltd (Supplier and Manufacturer – Ginners). Based in Pakistan.
- Organization for Social Development Initiatives (OSDI) (Civil Society). Based in Pakistan. Win Hanverky Textile (Supplier and Manufacturer –Other Intermediaries). Based in China.

Meeting, 30 November, 1 & 2 December 2011

The Council that BCI will continue to engage with National Cotton Council (USA) and Cotton Inc. in 2012 to investigate how the BCI can be set up in the USA.

The Council approved the 2012 budget as follows:

Budget Description	Budget approved (k EUR)
Management, Governance and Operations	436
Fundraising	77
Coordination / Expertise	787
Communication and Membership Outreach	557
Farm Assessment and Monitoring, Evaluation & Learning	408
National Project, Assessment and Supply Chain Coordination	964
Total	3,229

The Council approved the following financial approval rules were approved:

Who approves	What
Council	BCI annual budget
Treasurer	Single commitments above 150,000 EUR within 10% of approved budget
Executive Director	Single commitments up to 150,000 EUR within 10% of approved budget Any single expenditure approval beyond 10,000 EUR must be based on a contract

The Executive Director can delegate her expenditure approval to staff members and takes responsibility for that.

The Council approved the following adjusted fee structure for use as of 1 January 2012:

Brands & Retailers	
Cotton consumption in Metric Tons	Fee in EUR
>200,000MT	50,000
150 - 200,000MT	35 - 50,000
100 - 150,000MT	20 - 35,000
50 - 100,000MT	15 - 20,000
10 - 50,000MT	10 - 15,000
5 - 10,000MT	5 - 10,000
<5,000MT	5,000

Suppliers & Manufacturers other intermediaries		
Cotton consumption in Metric Tons	Fee in EUR	
	Non-OECD	OECD
>50,000 MT	7,000	15,000
35 - 50,000 MT	4,000	10,000
15 - 35,000 MT	2,000	5,000
5 - 15,000 MT	1,000	2,000
<5,000 MT	500	1,000

Suppliers & Manufacturers ginnerers	
Cotton consumption in Metric Tons	Fee in EUR
>30,000 MT	2,500
15 - 30,000 MT	1,500
5 - 15,000 MT	1,000
<5,000 MT	500

The following new members were approved:

- Artistic Fabric Mills (Supplier and Manufacturer –Other Intermediaries). Pakistan.
- Bossa (Supplier and Manufacturer –Other Intermediaries). Turkey.
- Eastman Exports Global clothing (Supplier and Manufacturer – Other Intermediaries). India.
- Guoxin Rural Technical Service Association (Producers). China.
- Soorty Enterprises (Supplier and Manufacturer – Other Intermediaries). Pakistan.
- Winsome Yarns Ltd (Supplier and Manufacturer –Other Intermediaries). India.
- Xinjiang Youngor Cotton Textile Co. Ltd (Supplier and Manufacturer –Other Intermediaries). China.
- Sunrise (Shengzhou) Textile Co Ltd (Supplier and Manufacturer – Other Intermediaries). China.
- Alok Industries Ltd (Supplier and Manufacturer – Other Intermediaries). India.

The Council approved that 3rd party verification fees will remain at 1 USD per hectare for Large Farm Employers in Pakistan and that a 50% discount will be offered on these fees in 2012. Non-payment of fees at the beginning of the season will disqualify the Large Farm Employer for licencing to sell Better Cotton in 2012.

The council approved that from December 2012 onwards the mandate of the Grievance Management Committee will be for a 3 year term.