

# BCI NEW COUNTRY START-UP POLICY 2016

## Introduction

The Better Cotton Initiative aims to be truly global. Our mission is to develop Better Cotton as a sustainable mainstream commodity, transform the market and make cotton production better for the people who produce it, better for the environment it grows in and better for the sector's future. Our strategy is based on focused, manageable interventions by BCI itself and clear roles for other supply chain actors, implementing partners, strategic partners and governments. Cotton is grown in around 80 countries worldwide, so we must make strategic decisions about how we deploy our resources; we must prioritise and sequence implementation.

One of the key differentiators between BCI and more traditional certification systems is the requirement to engage national stakeholders and secure broad-based support for a new programme prior to starting to grow Better Cotton in any given country. This requirement facilitates long-term national embedding, involves all stakeholders and ensures everyone understands the role they have to play in creating positive change at farm-level. Furthermore, it forms a base for the credibility of the BCI Assurance Programme. BCI is not a compliance-driven standard in the traditional sense and its credibility is built on deep collaboration from farm through the supply chain and onto national government. A robust multi-stakeholder engagement process creates trust between different actors, and can often help uncover issues, challenges and opportunities that may otherwise remain hidden.

We believe that expansion through the establishment of globally scattered smaller-sized projects in a large number of countries is inefficient and would ultimately require significant investment and resources to consolidate into national programmes where economies of scale can be realised. Exceptionally, we may decide to enter a new country through smaller-scale projects. This approach may be justified in particularly difficult countries or for smaller cotton producers who nonetheless play an important role in the global supply chain.

For the period 2016 – 2020, we have identified China, India and Pakistan as the countries where we can reach the largest scale, and have significant impact building upon our investment and experience to date. These are also countries with a fragmented approach to farm-level programmes. We have consequently deployed our own teams in these three countries, employing staff to liaise and coordinate the activities of Implementation Partners<sup>1</sup>, engage and support members and develop national partnerships. We currently provide limited in-region management support to a small number of countries in the Americas, Southern &

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<sup>1</sup> IMPLEMENTATION PARTNER: An organisation responsible for creating an enabling environment in a given project area(s) so that farmers can participate in the Better Cotton Standard System. These Partners implement capacity-building and training based on the Better Cotton Production Principles and Criteria, and collect data at field level.

Western Africa, and Central Asia. For all new countries, we seek out partners who are able to take on significant oversight, management and funding responsibilities.

This **BCI New Country Start-Up Policy** (hereafter referred to as '**the Policy**') applies to all countries where Better Cotton is currently not produced. Organisations that are interested in expanding Better Cotton production in countries where either **Better Cotton is already grown, or where there is an existing BCI-recognised (benchmarked) production standard**, should contact [GlobalSupply@bettercotton.org](mailto:GlobalSupply@bettercotton.org).

For an up-to-date list of those countries where **Better Cotton is already grown**, please visit [www.bettercotton.org](http://www.bettercotton.org)

The **Policy** provides an outline of the criteria which BCI uses for evaluating opportunities and for reaching a conclusion about whether or not to start a Better Cotton programme in a new country.

As described above, engagement in countries is typically undertaken either under the management of a BCI Country Team / Regional Coordinator or through a Strategic Partner<sup>2</sup> (BCI's preferred option for any new countries). In rare circumstances, we may decide to approve engagement in a new country where there is no Strategic Partner, and instead approve a temporary solution with one or more Implementation Partners who would be supported by the BCI global team.

Regardless of how a new programme is set up, we will require a financial commitment on behalf of potential new partners to cover any operational costs incurred by BCI to support and manage the new programme. This funding is additional to any funding required to implement the farm-level capacity building programmes.

## Evaluation of New Countries

BCI will make a decision on whether or not it will approve operations in a new country based on a set of strategic criteria. These criteria include, but are not necessarily limited to:

1. **Multi-stakeholder Ownership:** A pre-requisite for starting up is the ability to demonstrate strong domestic support for initiating a Better Cotton Programme from a broad range of stakeholders (this should include as a minimum, but is not limited to, Producer Organisations, Suppliers & Manufacturers, Retailers & Brands, Local / National Government, Civil Society), and identified opportunities (or at least potential) to coordinate with existing national or regional-level activities;
2. **Demonstrable Need:** There is a demonstrable need for improvement in the environmental, social and economic conditions where the cotton is being produced;
3. **Demonstrable Demand:** There is demonstrable demand for Better Cotton to be sourced from the country, and identifiable linkages to BCI Members within the supply-chain;
4. **Medium & Long-Term Potential:** There is clearly identified potential to scale-up Better Cotton production within a well-defined timeframe;

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<sup>2</sup> STRATEGIC PARTNER: National or international organisation responsible for the coordination of Implementation Partners in a given country or region. Strategic Partners take significant leadership for Better Cotton in the country(ies) where they have been mandated by BCI.

5. **Financial Support:** BCI expects any proposal to start-up in a new country (this includes all components of the Better Cotton **New Country Start-Up Process**) to be accompanied by a robust, and clearly defined, financial support proposal. This may take the form of an existing structure which is already fully funded, &/or sources of funding which have been identified and which will be accessible once a new programme is (or is being) established;
6. **Production Volume & Number of Farmers:** BCI's 2020 targets include reaching 5 million farmers and covering 30% of global production. Subsequently, it will give priority to countries where there is a significant national volume of cotton production and/or a large number of cotton farmers (typically in countries where smallholders are in the majority) who would benefit from adopting the Better Cotton Standard System (BCSS);
7. **Early-Stage Opportunity:** There are clearly identified opportunities to start working with a significant percentage of the total cotton farmers, &/or area of land which is being planted with cotton, during the first years of establishing a new programme;
8. **Strategic Partner(s):** BCI will ordinarily prioritise engagement in a country where a suitable Strategic Partnership(s) can be formed with national-level programmes or similar initiatives that promote the social, environmental and economic sustainability of cotton production;
9. **Established National / Industry Cotton Standard:** Where possible, BCI is keen to engage with other credible domestic cotton sustainability programmes which are already established in a country. BCI's usual preference is to work with the existing programme in order to understand if, and how, cotton produced in this way can be recognised as being equivalent to Better Cotton. This process is distinct from the **Standard-Format Version** of the Better Cotton **New Country Start-Up Process**, and is based on an independent (third-party) led systematic gap analysis leading to a formal recognition of the existing standard and a Strategic Partnership Agreement to govern the oversight of the recognition status.
10. **Other considerations:** BCI will also give consideration to practical issues, such as perceived country risk for implementation by BCI staff and/or Partners, access to independent verifiers, and whether or not local language requirements would present an impediment to being able to provide the required level of training and disseminate information.

BCI will consider these criteria, plus other factors, before reaching a conclusion about whether or not to initiate a programme or project in a new country.

### The Better Cotton New Country Start-Up Process

Better Cotton recognises that it is vital to work with a broad range of partners. For example, BCI has Partners from all sectors – public (government agencies, donors), private (traders, ginners) and civil society (producer associations, NGOs) as well as commercial farming organisations. Any entity can propose to lead the Better Cotton **New Country Start-Up Process**.

The BCI **New Country Start-Up Process** provides the approach and methodology that an entity should follow, if wishing to initiate a Better Cotton Programme in a new country. The process is divided into two distinct stages:

**Stage 1** requires an entity to submit an outline proposal according to a set of specified guidelines and making use of a standardised Template. This proposal to BCI will be considered against the criteria set-out in this **Policy**.

The BCI Secretariat will review the proposal and inform the proponent of its decision within 3 weeks. In the case where the BCI Secretariat is supportive of the proposal, the entity will be invited to initiate **Stage 2** of the New Country Start-Up Process, which includes extensive research and multi-stakeholder engagement.

In the case where the BCI Secretariat is not supportive of the proposal, the entity will receive feedback on why it was rejected, &/or how the proposal can be strengthened &/or a timeframe for when BCI would consider a new proposal.

### **Effective Date**

The BCI **New Country Start-Up Policy** takes effect from **01st January 2016**, replacing all previous policies.

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To learn more about the Better Cotton **New Country Start-Up Process**, please submit your request to [GlobalSupply@bettercotton.org](mailto:GlobalSupply@bettercotton.org).

**The final decision on whether or not to ultimately initiate a Better Cotton programme in a new country is at the sole discretion of the BCI Secretariat.**