

# ASSESSMENT AND VERIFICATION OF BETTER COTTON IN 2012

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## Executive Summary

The Better Cotton Initiative (BCI) presents this public report providing an overview of the activities conducted by BCI in order to assess whether farmers in the Better Cotton programme qualify to grow and sell Better Cotton.

In order to qualify a farmer needs to participate in the annual self-assessment process, have a record keeping system, meet the Better Cotton Minimum Production Criteria, and commit to and demonstrate continuous improvement. The Better Cotton Farm Assessment system combines three levels of assessment: (1) First-party (self-assessment); (2) Second-party (credibility checks); and (3) Third-party (verification).

Verification – similar to an independent external audit – for Better Cotton is not based on a checklist approach but allows for corroboration of information from various sources for a meaningful analysis. Based on the information collected from the three levels of assessment, BCI develops corrective action plans and makes qualification decisions. The Better Cotton Farm Assessment system is much more than a ‘pass or fail’ exercise and brings value to farmers and Implementing Partners by encouraging continuous improvement.

This report emphasises how verification was delivered as part of this assessment system. It was prepared by the BCI with the assistance of the Fair Labour Association.

In 2012, close to 250,000 people were trained at farm level, including over 30,000 women. This includes farmers and farm workers. BCI adopts an inclusive approach to growing Better

Cotton where training and capacity building is delivered to all farmers after which a percentage of them qualify.

100% of BCI Implementing Partners managing Better Cotton Producer Units were third party verified during a 2-year period (2011-2012). More than two thirds of active Producer Units in 2012 were third party verified in this same period.

In 2012, 100% of Producer Units seeking to grow Better Cotton were checked either by BCI regional staff, Implementing Partners or 3<sup>rd</sup> party verifier. In 2012, thirty three (33) third party verification visits took place in India, Pakistan, China, Mali and Brazil. Thirteen (13) independent verification agencies were trained globally to carry out the verification visits; nine of these agencies were contracted in 2012.

In total, 74% of the producers participating in Better Cotton projects received a license to sell Better Cotton in 2012.

Verifiers made a number of observations on the Better Cotton Farm Assessment system and on conditions on farms during the 2012 verification cycle. This report does not list all observations in detail, but synthesizes them as successes, challenges and recommendations for improvement.

Recommendations for improvement include:

1. Timely provision of the internal reports of those Producer Units and Learning Groups selected for third party verification,
2. Timely provision of farmer lists for sampling,
3. Timely communication about the verification visit to the Producer Units to facilitate logistics,
4. Accreditation of independent agronomist and decent work experts to support verification visits.
- 5.

Third party verifiers provided positive feedback and wish to continue conducting Better Cotton verification.

## 1. Assessing Better Cotton

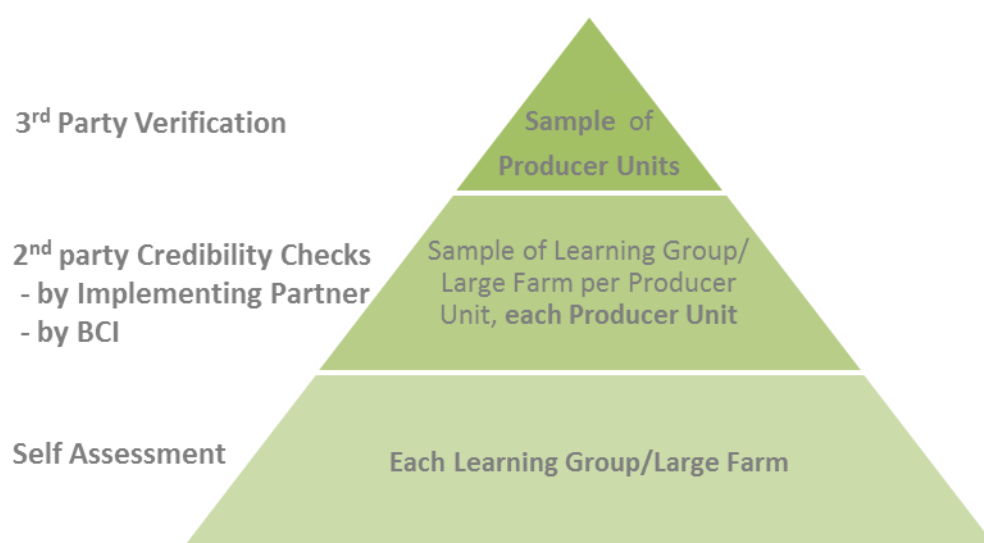
The Better Cotton Initiative (BCI) exists to make global cotton production better for the people who produce it, better for the environment it grows in and better for the sector's future. BCI works with a diverse range of stakeholders to promote measurable and continuing improvements for the environment, farming communities and the economies of cotton-producing areas. BCI aims to transform cotton production worldwide by developing Better Cotton as a sustainable mainstream commodity.

### 1.1 Overview

Growing Better Cotton means, in the first instance, meeting a set of Minimum Production Criteria (MPC) regarding pesticide use, water use, habitat protection, fibre quality and decent work principles. Once the minimum criteria are met, farmers need to show continuous improvement to remain qualified. Licenses to sell Better Cotton are issued by BCI to Learning Groups (of smallholders) or individual Large Farms, on the basis of evidence that farmers meet Better Cotton requirements.

This evidence, collected annually through the Better Cotton Farm Assessment system, is about assessing the needs of farmers, learning through the exchange of experiences, assessing compliance with requirements and safeguarding the credibility of Better Cotton.

*Figure 1: Farm assessment levels*



While this report focuses on Verification, one should keep in mind that this is just one of the three components of the Better Cotton Farm Assessment system.

It begins with self-assessment. The participatory self-assessment process provides a way for farmers to monitor results, to learn from each other and to collaborate in identifying ways to improve how they grow cotton – in a smallholder context. It also enables farmers to share their own knowledge and capabilities resulting from experiences in the field. Results and progress are discussed between farmers during and after the cotton-growing season, resulting in the exchange of best practices and ideas for improvements.

Second Party Credibility Checks are carried out by Implementing Partners and BCI at farm, Learning Group, Producer Unit and (for BCI) Implementing Partner levels. These assessments of management and farm level activities are conducted annually. Implementing Partners are responsible for conducting at least one Credibility Check of each Producer Unit per season.

The third and final level of the Better Cotton Farm Assessment system is third party verification. This is conducted by independent external organisations contracted by the BCI. The minimum number of third party verification visits to be conducted per year per country of production is the square root of the number of Producer Units at country level. Half of the sample is selected based on risk analysis and the remaining Producer Units are selected randomly.

The decision as to whether a farmer qualifies for Better Cotton is made by the BCI Regional Coordinator on the basis of analysing credibility check reports from Implementing Partners, credibility check reports from BCI staff, third party verification reports, and recommendations for qualification from Implementing Partners

### Figure 2: Actors

An **Implementing Partner** is an institution of any kind that is equipped to support Producer Units to produce and sell Better Cotton and reports to BCI.

A **Producer Unit** is a collection of small and/or large farms. It delivers farm support activities and reports to Implementing Partners and BCI.

A **Learning Group** is a group of smallholder farmers that meet to learn from each other and receive training on how to grow Better Cotton.

#### A **Better Cotton farmer:**

Minimises the harmful impact of crop protection practices

Uses water efficiently and care for the availability of water

Cares for the health of the soil

Conserves natural habitats

Cares for and preserve the quality of the fibre

Promotes decent work

## 1.2 Third Party Verification

The Better Cotton Initiative (BCI) and the Fair Labor Association (FLA) entered into a Memorandum of Understanding in 2010 to promote cooperative activities that would improve workplace conditions in the agriculture sector. In support of the preparation of the implementation of the Better Cotton System, FLA reviewed the Better Cotton standard,

developed the independent external verification system as well as the curricula for the training of independent external verifiers and that for the training of BCI Implementing Partners (IPs) on decent work.

The basic principles of the FLA's Independent External Monitoring (IEM) methodology were developed over a three-year consultation and negotiation period among stakeholders representing industry, human rights organizations and trade unions.

Based on its principles of independent external monitoring and drawing on its experience, the FLA developed a third party independent external verification system for the BCI. The FLA made recommendations on how to cost-effectively fulfil the broad remit of verification and certain FLA processes were adapted based on the peculiarities and functioning of the BCI system. The sampling protocol, detailed visits procedures, guidance documents, verifiers' selection process and training methodology as well as analytical reporting tools were all developed by the FLA. The resulting Third party verification system for BCI is described below. BCI invited the FLA to review all the verification reports from 2012, analyse the observation in the reports and to contribute to the drafting of this summary report.

The third party verification system developed as a component of the Better Cotton Farm Assessment system seeks to bring capacity building rather than policing. The observations of third party verifiers are used to strengthen continuous improvement and add credibility to Better Cotton by their independent and objective nature.

The third party verification protocol and scope is similar to that of second party credibility checks. Each verification visit consists of 8 elements:

1. Gathering Information from Local Sources
2. Review of Self-Assessment Process
3. Farmer Interviews
4. Documentation Review
5. Worker Interviews
6. Visual Inspection
7. Review of PU / IP Management Systems
8. Analysis and Reporting

### **Figure 3: Verification sampling rule per country of Better Cotton production**

Minimum number of Producer Units (PUs) to receive the visit of 3<sup>rd</sup> party verifiers per season in a given country is:

*Square root of the number of Producer Unit*

*Where 50% of the PUs are selected on a risk analysis basis and 50% at random.*

In addition, all Implementing Partners are visited by third party verifiers in their first year of activity on Better Cotton.

For each Producer Unit, verifiers must visit 3 Learning Groups/Large Farms. In each Learning Group verifiers visit at least 5 farms (more in large Learning Groups). The Learning Groups, Large Farms and farms are all selected at random to avoid bias. To maximize the scope of the visit, elements of stratification are introduced. Concretely, verifiers visit Groups that are working with different trainers/facilitators in order to assess which of their



observations are farm specific, dependent on a given facilitator or reflect the whole Producer Unit system.

### ***Unannounced visits***

To enable verifiers to make observations that inform the situation of the whole Producer Unit - as well as of associated Producer Units under the same Implementing Partner structure - visits are not announced so that no preparation or increased attention can be placed on the units selected.

However, to ensure that all key people will be present at the time of the visit, BCI informs Implementing Partners that third-party verifiers will visit an undefined Producer Unit one week before the start of the visit. One day before the actual start of the visit, BCI informs the Implementing Partner which Producer Unit will be verified. The team of verifiers typically dedicates 3 to 4 days to gather information on site.

### ***Reporting, licensing and learning***

While verifiers are asked to convey orally their main observations to the Producer Unit staff at the end of the visit, third party verifiers are responsible neither for licensing decisions nor for the recommendation of corrective actions.

Licensing decisions to qualify learning groups (of smallholders) and large farms are made by BCI staff on the basis of:

- » Reports on credibility checks per Producer Unit from the Implementing Partner
- » Reports and corrective action plans on credibility checks per Implementing Partner from BCI staff
- » Recommendations for qualification of Learning Groups / Large Farms made by the Implementing Partner
- » Recommendations in third party verification visit reports

An entire Producer Unit may be disqualified on the basis of identified systemic issues.

A Learning Group or large farm can appeal the decision of the BCI Regional Coordinator, by following the appeals procedure. The BCI Executive Director decides upon the appeal within 2 weeks of receipt and their decision is final.

Licenses are issued annually with a validity period of 1 season only.



## 2. 2012 Activities

In 2012, 9 Implementing Partners worked with 220,000 farmers. The global average compliance rate was 74% and 164,000 farmers produced Better Cotton. The global compliance rate was 42% in 2010 and 72% in 2011. Each Learning Group and Large Farm has to perform an annual self-assessment. In 2012, over 8000 Learning Groups and close to 1000 Large Farms completed self-assessment.

34 professionals attended Better Cotton verification trainings: 13 in India (6 organizations), 8 in Pakistan (2 organizations), 6 in Brazil (3 organizations), 4 in China (1 organization), and 3 in Mali (1 organization).

In 2012, thirty-three third party verification visits were conducted (the minimum requirement was 20 based on the square root of the number of Producer Units at country level). A total of 457 farms were visited and interviews were conducted with 737 farmers and 749 workers, including 322 women.

In order to gather information on practices during and after harvest, four verification visits (12% of the total) were conducted after licensing. These visits, in addition to focusing on fibre quality, also assessed all the activities conducted in the season. They are a good opportunity to assess compliance with Decent Work criteria, as picking in most countries is labour intensive, with many women and youngsters participating.

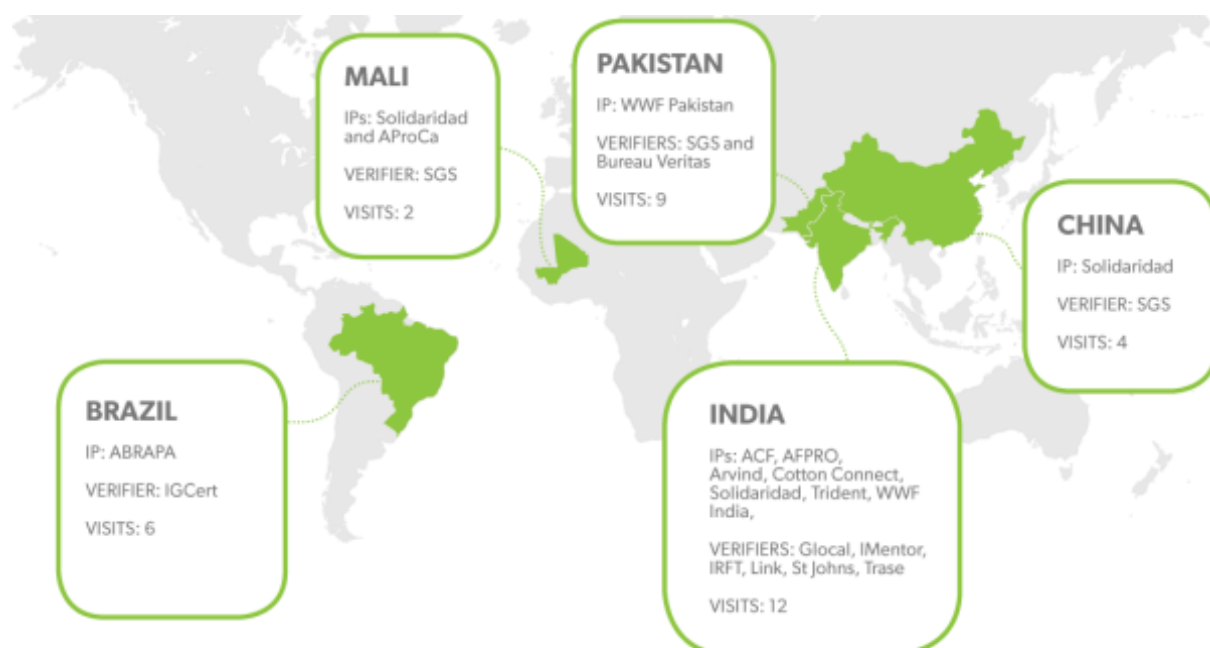


Not all the verifiers that were trained conducted verification visits in 2012. A total of nine verification organizations conducted third-party verification visits for BCI in 2012:

**Figure 4 Verifiers**

India	Pakistan	Brazil	China	Mali
Glocal Research	Bureau Veritas	IGCert	SGS	SGS
i-Mentor	SGS			
International Resources for Fairer Trade				
Link				
St. Johns Medical College				
TRASE Services				

Each of these is a formally accredited professional institution that sent teams of two to four verifiers for each visit. In addition to their qualifications and experience as verifiers, BCI works with teams that have understanding of both agronomics and decent work. Where possible, BCI contracts verifiers who are fluent in the farmers' language.



To safeguard the credibility of the system, where verifiers, or BCI staff, collected evidence that systemic issues were affecting the whole Producer Unit, Producer Units – or even group of Producer Units under the same Implementing Partner in the same region – were disqualified from producing Better Cotton in 2012. For example, the evidence collected during second party credibility checks and third party verification led to the decision not to

issue any license to the 17,000 producer of a group of Producer Units under the same Implementing Partner.

Appeals were received from Indian and Pakistani farmers in 2012. In all cases, the original decision not to license the learning group of large farm employer was upheld by the Executive Director of BCI.

In addition to working with accredited verifiers that are trained on Better Cotton, BCI has a system of oversight for new verifiers. In India, Pakistan and China, BCI Regional Coordinators conducted shadow visits of new verifiers. These shadow visits result in direct recommendations and advice to verifiers during the visit and are also used by BCI to review the competence of verifiers.



Globally, more than one third of the Producer Units (or group of small Producer Units under the same management)<sup>1</sup> were visited by third party verifiers in 2012. Combined with the visits of the previous season, two thirds of the Producer Units active in 2012 have been visited by 3<sup>rd</sup> party verifiers in either 2011 or 2012.

In addition to 3<sup>rd</sup> party verification visit, BCI conducted second party credibility checks at 55 Producer Units.

**Figure 5: Number of Producer Units, Learning Groups, Farms, Farmers and Workers covered by 3<sup>rd</sup> party verifiers in 2012**

	Producer Units verified	Learning Groups/ Large farms visited	Farms visited	Farmers interviewed	Workers interviewed
India	12	36	193	336	299
China	4	4	119	139	69
Mali	2	6	16	61	0
Pakistan	9	33	109	181	305
Brazil	6	12	20	20	76
<b>Total</b>	<b>33</b>	<b>91</b>	<b>457</b>	<b>737</b>	<b>749</b>

<sup>1</sup> In Pakistan and in India, some small Producer Units representing only a few hundreds farmers, are grouped together for the selection of Producer Units to be verified. The groupings created remained small, with about 2000 to 2500 farmers per group, against 3500 for the recommended size of the Producer Unit.

### 3. Successes and Challenges

FLA was invited to review all verification reports and to synthesize findings in a way that could facilitate BCI learning as well as to inform stakeholders of lessons learnt.

The following successes and challenges are based on feedback from BCI third party verifiers and Better Cotton Implementing Partners.

#### Process

- » Trainers efficiently conveyed messages and the information, content and training methods/materials were positively rated.
- » Training was very interactive in India and participants appreciated the opportunity to exchange their experience and to join practical exercises.
- » Most Producer Units were successful in making training attractive, relevant and useful for farmers. A participatory learning culture was observed, with farmers reportedly discussing and learning from peers, within and beyond the Learning Group.
- » Most Producer Units dedicated efforts to train their staff to facilitate self-assessment exercises and motivated farmers to discuss their experience. Verifiers observed that when properly implemented, self-assessments are an effective learning tool that helps farmers improve and enable Producer Units to tailor their support according to farmers' needs.
- » Some verifiers would benefit from more technical training, for example on Integrated Pest Management. Weaknesses on some technical aspects were also reflected in the feedbacks from Implementing Partners.
- » In some Producer Units farmers were not only not meeting Better Cotton requirements, but at times they were not even aware of them. Instances of non-compliance were observed in Producer Units where facilitators did not have the capacity, either in terms of skills or with regard to resources and time, to properly support farmers. High staff turnover, late recruitment or poor training of facilitators are weaknesses in the structure of Producer Units. Similarly, problems with farmers' understanding and compliance were identified in Producer Units where activities or training materials were not adapted to farmers' needs (format, language or timing of the training).
- » Farmers maintain a variety of documents, including some that are required, such as a Farmer Field Book to record information on their activities as a basis for self-assessment and learning. Producer Unit staff often fill Farmer Field Books, as many smallholder farmers are illiterate. Verifiers however noted that records tend to be managed by PU staff even for farmers who are literate. While this is not a point of non-compliance, such practice raises questions of empowerment and ownership.
- » The participation of women in trainings and meetings was very low. While the vast majority of Better Cotton farmers are men, BCI promotes gender equality and considers that women must have equal access to information. Even if there is currently no Better Cotton requirement to work with women (and more than 30,000 did receive BCI training), verifiers' observations are a reminder that women must be better incorporated into the activities.
- » Verifiers observed some issues with the self-assessment process, such as the lack of planning for the self-assessment, the self-assessment being conducted by Producer

Unit staff, and farmers filling self-assessments individually instead of doing it as a participatory learning exercise. All these instances are not compliant and indicate a lack of understanding of the philosophy of the self-assessment on the part of Producer Units

- » Implementing Partners reported that a few verifiers had weaknesses in specific areas. To compensate, verifiers tended to ask a lot of questions about the topics on which they lacked expertise. While this may be perceived as a weakness, on the contrary asking questions is a good way to assess the understanding of the interviewee and also enables verifiers to provide detailed descriptions in their reports. The selection of qualified third party verifiers is a priority for BCI and time and effort will be invested in the selection and capacity building of the best verifiers possible.
- » Implementing Partners accept that verification visits are unannounced to strengthen the credibility of the system. This, however, represents logistical challenges for both Implementing Partners and Producers Units on one side as well as for verifiers on the other. While maintaining the unannounced character of the visits, BCI in the future will make sure that all verifiers do get in contact with Producer Units at the beginning of the visit.
- » Implementing Partners consider the closing meeting as an important opportunity to clarify findings. However, the level of advice provided by the verifiers at the closing meeting is a topic for further discussion and definition. While some Implementing Partners felt that they were not given sufficient feedback and recommendations about how to improve their activities, others reported that verifiers have been too audacious in suggesting very concrete and substantial changes. While BCI requires verifiers to have a closing meeting with Producer Units to review key findings, formal recommendations for improvement should come from BCI through the Corrective Action Forms rather than from the verifiers.
- » A challenge frequently faced is the identification of good translators. Despite BCI efforts, it is not always possible to identify qualified verifiers who speak the language of the farmers. To ensure the independence of the translation, Producer Units cannot facilitate translation and the verifiers have to identify and recruit independent translators.



- » Consideration of extending the duration of the visit in order to be able to spend more time with the farmers and to increase the sample size to collect more evidence was requested.

## Chemicals

- » The Better Cotton principle that requires farmers to minimise the harmful impact of crop protection practices is translated into nine criteria. Overall, verifiers found that farmers were compliant with the criteria, recognising that, even where neither IPM plans nor practices were state of the art, farmers were starting to change their practices to meet the criteria. Verifiers reported that farmers have adopted a variety of techniques to ensure a

healthy crop that is less vulnerable to pests, to prevent the build-up of pest populations and to preserve beneficial insects (examples include use of intercrop and border crop, use of traps, sowing of non-Bt cotton around the Bt-cotton). Farmers understand the purpose of the new practices. They have learnt to identify beneficial and harmful insects and were found to be sufficiently knowledgeable to decide on pesticide application based on actual needs determined by field observations.

- » Changes were reported in the storage of chemicals, the use of protective equipment to apply pesticides and the proper disposal of empty pesticide containers. Farmers have also started considering wind direction before applying pesticides and the most favourable time of the day for such application. Farmers also mentioned that children and women are not allowed to access freshly-sprayed fields.
- » Verifiers found farmers who did not know how to safely dispose of pesticide containers or who stored pesticides inside their houses because of lack of alternative storage area. Verifiers also found that not all farmers/workers used protective equipment to apply pesticides. Reasons cited were the difficulties in getting suitable equipment -- both in terms of availability and cost -- and also the discomfort this equipment represents in hot days. These practices are not in line with the production of Better Cotton. However, they are progress requirements and it is acceptable that farmers initially not meet them. In any case, verifiers confirmed a number of encouraging changes in practices in farms.

## Soil

- » While not a minimum requirement for Better Cotton qualification, a number of soil management practices were observed by verifiers, including use of organic fertilizer, soil testing, land levelling, use of leguminous plants that fix nitrogen in the soil as intercrop, soil coverage to minimize erosion and crop rotation.

## Water

- » Irrespective of whether their land is rain fed or irrigated, Better Cotton farmers have to use water efficiently and care for the availability of water. Farmers reported being aware of the need to conserve water and verifiers observed a variety of enhanced water management practices such as ridges and furrows, level planting, and bed formations. In some places farmers were conducting crop rotation with millet to conserve moisture. The verification visits highlighted that a few farmers in India and China have adopted drip irrigation.

## Fibre Quality

- » Considering harvest and post-harvest factors only, new and improved practices reported include the use of clean cotton bags that avoid contamination during harvest and proper storage areas. Despite the improvements observed in some Producer Units, issues were still observed about harvest and storage, such as the use of jute bags or fertilizers bags that represent a risk of contamination or poor storage practices that can affect the quality of the cotton.

## Habitat Conservation

- » Verifiers found that all the land under Better Cotton cultivation conformed to national legislation related to agricultural land use. Beyond this minimum requirement, verifiers witnessed some instances of improvement in the natural habitat in and around Better Cotton farms. Farmers reported that since they reduced the use of pesticides, depend



more heavily on botanic preparations rather than on commercial ones and favour selective pesticides, the population of beneficial insects -- such as ladybirds, lacewings and spiders -- has increased. Some proactive farmers have even started planting trees and bushes to provide food and shelter for birds and other animals.

### ***Decent Work***

In 2012, no breach of Decent Work criteria was observed during harvest.

The Better Cotton principle on Decent Work is in practice translated into 26 criteria. Some of the criteria are specific to employment practices and thus only applicable to farmers who hire workers. Four minimum criteria apply to all categories of farmers: elimination of child labour, elimination of forced labour and non-discrimination, freedom of association.

No breach of the other minimum production criteria (prohibition of forced labour, freedom of association and collective bargaining, basic treatment and disciplinary practices) was observed in any Producer Unit.

Understanding social phenomena such as child labour or discrimination is difficult. BCI verifiers have to collect evidence through different approaches: directly observing labour conditions, interviewing farmers, workers and children, reviewing records and gathering external information from credible local sources.



- » No case of child labour was witnessed by the verifiers. The few children found active on farms were the farmers' children and only helped in non-hazardous activities, such as weeding and outside of school periods. It was reported that children also commonly help their parents during harvest. However, verifiers did not report any case where this support affected the child's health, safety, well-being, education or development. The awareness about the necessity to eradicate child labour was found to be quite high.
- » Verifiers reported that in addition to the sensitization efforts made by Implementing Partners, recent enforcement by regulatory bodies and media campaigns have further contributed to a reduction in the incidence of use of child labour and young workers. In some instances, verifiers linked the reduction in the incidence of child labour with the introduction of Better Cotton. In China for example, children of migrant workers in Better Cotton areas have been transferred to formal education system.
- » Age verification procedures and records are ways to document that there is no child labour. However, these were only found in half of the Producer Units visited.

Implementing Partners have not always insisted that farmers adopt these procedures, and farmers often state that they know the age of the workers without having to verify it through official records. Based on the verifiers' findings, BCI issued Corrective Action Plans recommending Implementing Partners and Producer Units to require farmers to adopt age verification procedures.

- » In general, verifiers found that workers, the same as farmers, were knowledgeable on the child labour and health and safety requirements, but less so on the progress requirements that they still had time to comply with. While verifiers focused on the criteria farmers have to meet, they also assessed the situation of workers in light of the other Better Cotton criteria. In Brazil, Large Farms, who have to comply with strict employment legislation, were found in compliance with all Better Cotton employment criteria, including progress requirements. In other countries however, verifiers found that improvements on progress requirements remain to be made. For example, they found that the majority of the workers in India and Pakistan did not have written contracts, as verbal agreements are largely used. It was also reported that many farmers in Mali, India and China were not aware of the legal minimum wage.
- » Some farmers are, however, proactive and have already started implementing good practices. For example, in China, verifiers observed that written agreements – both in Mandarin Chinese and in the workers' language -- were starting to replace verbal contracts. Another improvement relates to health and safety measures, including training and the use of personal protective equipment in applying pesticides. Verifiers also witnessed increased wages as result of collective bargaining in one farm.

## 4. Conclusions

The good practices as well as the weaknesses summarized in this report have all been observed and reported in much greater detail by verifiers. This information has enabled BCI staff to prepare tailored Corrective Action Plans to support the continuous improvement by Implementing Partners, Producer Units, Learning Groups and farms.

Verifiers collect information on the motivation of farmers to start growing Better Cotton and the benefits of it they perceive. Most farmers cited more than one reason to start producing Better Cotton. The most commonly mentioned incentives to start concern economic factors (reducing costs of inputs, selling cotton for a good price, or getting support with the commercialisation). Economic factors are also the most commonly identified benefits of Better Cotton. Farmers also reported environmental (such as conserving water supply and protecting the environment) as well as social (such as health and safety, status of workers, or contractual relationships) benefits. Overall, access to information and technology are key interest of farmers in developing countries. Verifiers reported that more advanced large farms see Better Cotton as an opportunity to institutionalise sustainability in their activities.

Verifiers could also observe that some Producer Units go beyond the activities directly linked to the Better Cotton requirements. They for example reported that, to respond to farmers' needs, some Producer Units facilitate linkages with credit institutions, provide access to soil fertility testing, enable farmers to get subsidies for drip irrigation or develop farmers' capacity to produce organic inputs.

Based on their observations, verifiers made some general comments on how the broad Better Cotton system could be improved. For example, they recommended focusing on literacy of producers to enable them to play a more active role, encouraging women participation, avoiding Producer Unit staff turnover, and facilitating market linkages.

Better Cotton Initiative has managed to reach a large number of cotton growers globally during its initial implementation period. In 2012, 220,000 were part of Better Cotton projects and 165,000 farmers, 74% of all participating ones, met the Better Cotton requirements and received licenses to produce Better Cotton. The strategy to cluster farms into Learning Groups and Producer Units aided the overall outreach of the program. Identification of local organizations as Implementing Partners, making them responsible for implementation, has led to in-country capacity building.

BCI internal process of self-assessments, peer review and credibility checks is a well-organized and multi-layered process that provides opportunities to measure ground conditions and capture progress made over time. BCI has constantly revised and upgraded its verification system based on feedback received from the verifiers, Implementing Partners and Producer Units. This shows BCI's commitment to continuous improvement and learning and to ensuring that the applied process is suitable for the cotton supply chain.

BCI has made substantive efforts in training all third-party verifiers globally before each season's verification visits. This has allowed the verifiers to learn and receive a refresher on the BCI system. Verifiers are interested in working with the BCI in future.

Farmers globally have benefitted from participating in the BCI. Agronomic improvements at the farms were noticed. Farmers have adopted a number of good agricultural practices subsequent to the awareness raising and trainings conducted by the Producer Units. Decent

Work aspects have also shown improvement, especially with respect to reduction in the use of child labor and access to facilities. Issues like payment of legal minimum wages, gender-based payments and lack of effective grievance mechanisms still remain to be tackled in some regions.

Certain improvements could further enhance the application and impact of the overall program. Heightened workers involvement, detailed public reporting and transparency, and revising the role of downstream supply chain actors to encourage them to take a more active role in the BCS implementation could positively impact the overall sustainability and credibility of the Better Cotton Initiative's verification system.

This section makes brief recommendations from FLA to the BCI to further strengthen the third party verification system. For this report, recommendations are limited to the implementation and sustainability of the third party verification process.

#### *Scheduling of Verification Visits*

Verifiers' commitment is secured and field visits are planned at the beginning of each cotton production season. A number of factors govern the timing of the visits, such as timely provision of the Learning Group Lists, Farmer Lists for random sampling, weather conditions and farm access information. It is recommended that BCI establish stricter time requirements for obtaining lists of farmers to ensure timely sampling and maintenance of verification schedule. Furthermore, BCI should consider providing farm access information and location maps (with GPS coordinates) to facilitate visits to the sampled farms.

#### *Contracting of Verification Visits*

The verification teams were composed of at least one Decent Work expert and one agronomist who attended the BCI Verifiers Training. In India, where FLA conducted the Verifiers' training, each selected organization was asked to participate with one agronomic expert, which was not always possible because some of the organizations were short-staffed for agronomists. FLA waived this requirement and instead invited independent agronomists to the trainings, who then became part of a shared pool of experts which multiple organizations could utilize. FLA suggests that BCI consider accrediting/training agronomics experts individually.

#### *Preparation of Verification Visits*

BCI should consider providing completed self-assessment forms, second party credibility check reports and other documentation about the sampled Producer Unit (such as corrective action plans, Farmer Field Books for the selected LGs etc.) to the third party verifiers for desk-based review and preliminary risk assessment. Through these internal reports, the verifiers will be able to assess the corrective action plan, training imparted and check for accuracy of information filled in the self-assessments and second party credibility checks forms.

#### *Involvement of Workers in Internal Assessments*

Better Cotton self-assessment process currently relies heavily on farmers' involvement and feedback. Involvement of farm workers is limited to receiving training and sporadic feedback received during trainings or at the time of farm visits. No structured approach for incorporating workers' feedback during the Learning Group meetings and other interactions was identified. It is recommended that BCI introduce this additional layer of feedback solicitation from workers and their families in all self-assessment processes and credibility checks conducted by the Producer Units and BCI Regional Coordinators.

### *Reporting and Transparency*

This report is an effort to report publicly on the activities conducted by the BCI and the findings. In future, BCI should consider making individual verification reports publicly available along with corrective action plans to provide interested parties with an overview of the efforts and progress made.



## **Annex 1: Documents reviewed by verifiers**

### **Documents maintained by farmers:**

- Farmer Field Book
- Field Working Manual
- IP Training Manual
- Land Rent Contracts between PU and farmers
- Working Contracts between farmers and workers
- Field Management Daily Records
- Proof of Age of Workers
- Accident Report
- Farm Map

### **Documents maintained by Large Farms:**

- Work Contracts
- Life Insurance
- Proof of Address
- Training Bulletins
- Identity Card
- Health Card
- Declaration of Dependents
- Integration Manual
- Service Orders
- PPE list and MSDS
- Training Documents
- Medical Exams
- Internal Rules
- List of Employees
- Payment Sheets
- Course Certificates
- Pest Control Manuals
- Safety Management Documents
- Health Certificates
- Work Permits
- Work Accident Reports

### **Documents maintained at Producer Unit level:**

- PU Report
- 2nd Party Credibility Check Reports
- Organizational Structure
- Policies and Procedures
- Farmers List with Learning Group code
- Field Facilitator and Scribe Name and Contacts
- Route Maps

- Training Modules
- Charts on Minimum Production Criteria
- Training Schedule
- Self-Assessment Schedule
- Self-Assessment Forms
- LG wise Training and Meeting Register
- LG wise Photos and Video Clips
- Field Visit Register
- Specimen copy of Farmer Field Book
- Staff Training Register
- Copy of Agreement between IP and PU
- Annual
- Monthly and Weekly Activity Plans and Reports
- Staff CVs
- ToR between IP and staff
- Job Responsibilities
- Training Plans and Reports
- BCI Literature and Requirements
- Decent Work Literature
- Corrective Action Plans
- Model Farmer List
- Files of all LGs containing (Training Schedule
- Monthly Training Reports
- Production Technology
- Lists of Decent Work Committees
- Worker Family and Spray Men Information
- Progress Requirements
- Land Use Certificate
- Land Rent Contracts
- Worker Contracts
- Forecasting Reports of Disease and Pests
- Compliant Control Procedure
- Accident Handling Procedure
- BCI Production Guide
- Corrective Action Chart
- Self-assessment Chart
- Implementation Guide and
- BCI Implementation Training Minutes.

In addition a number of internal tools provided by the BCI were maintained at the PUs.