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# THE BETTER COTTON START-UP PROCESS

## What is the Start-Up Process?

The Better Cotton Start-Up Process explains the steps required to start growing Better Cotton in a country where Better Cotton is not yet grown. It takes effect from January 2014, and replaces the previous arrangements.

The purpose of the Better Cotton Start-Up Process is to:

1. Provide organisations interested in establishing Better Cotton farming in a new country with a series of clear actions that they must take to make this happen. These actions are intended to be undertaken independently with minimal support from the BCI Secretariat.
2. Learn from previous experience in establishing implementation of the Better Cotton System in different geographies in the most cost-efficient manner.
3. Retain the multi-stakeholder foundation of Better Cotton, and maintain the credibility of Better Cotton.

The Start-Up Process is a **requirement of growing Better Cotton**. The process must be completed in full before Better Cotton can be grown and marketed from a country origin.

Note: organisations interested in expanding Better Cotton production in countries where **Better Cotton is already grown** should contact the Partnership Team within the BCI Secretariat: [partnership@bettercotton.org](mailto:partnership@bettercotton.org)

## Which countries does the Start-Up Process apply to?

Better Cotton aims to be a truly global, mainstream initiative. However, cotton is grown in around 100 countries worldwide, so the BCI Management Team must make strategic decisions about sequencing implementation. (For an up-to-date list of those countries where Better Cotton is already grown, please visit [www.bettercotton.org](http://www.bettercotton.org)).

This means that there are a number of countries with significant cotton production but which do not yet grow Better Cotton. The Start-Up Process applies to these countries. Due to management resource constraints, BCI reserves the right to prioritise applications from countries which meet our ranking criteria, which include:

1. **Production:** there is significant national production of cotton, and potential to scale-up Better Cotton production over time.
2. **Demand:** there is demonstrable demand for Better Cotton to be sourced from the country, and identifiable linkages to supply chain demand.
3. **Need:** there is demonstrable need to create change in the environmental, social and economic conditions in which cotton is produced, in order to promote BCI's objectives.
4. **National ownership:** there is strong domestic support for Better Cotton, and potential to coordinate with existing national or regional-level activities.
5. **Legal status:** the interested party must already have an organisational structure recognised under national law which can serve to issue consultancy and employment contracts, and to process funds.

### What if there is already a cotton sustainability programme or initiative in the country?

In some countries where Better Cotton is not yet grown, there is a credible domestic sustainability programme or initiative established in the cotton sector. Better Cotton firmly supports national leadership in promoting sustainability and actively seeks strategic partnerships with national-level programmes or initiatives to promote social, environment and economic sustainability of cotton cultivation.

Where there is already a credible sustainable cotton programme or initiative in existence, BCI's preference is to work with the existing programme or initiative to understand if and how cotton produced under the national practice can be recognised as Better Cotton. This process is different from the full Start-Up Process, and is based on a systematic gap analysis leading to a Strategic Partnership Agreement. In this case, BCI requires that a different process is followed: the Benchmarking Process. Where this applies, please contact the Partnership Team for more information: [partnership@bettercotton.org](mailto:partnership@bettercotton.org).

### Sub-Saharan Africa

In Sub-Saharan Africa, Cotton made in Africa (CmiA) is the Preferred Partner of BCI. This means that all countries where CmiA is already established are considered by BCI to be Better Cotton producing countries. Any organisations interested in scaling up Better Cotton production in these countries are required to notify BCI and thereafter engage directly with the Aid by Trade Foundation (AbTF), the organisation which runs the CmiA initiative.

In Sub-Saharan African countries where neither BCI nor CmiA is established, interested parties are also requested to first engage directly with AbTF. However, if a potential partner is not able to establish a relationship with AbTF for any reason, it may request to work directly with BCI instead.

## Why does BCI not do this work itself?

BCI is a small multi-stakeholder not-for-profit organization with the ambition of achieving global impact. With limited resources, achieving targets is often a case of making prudent decisions and weighing up tough choices. Therefore, BCI has decided to concentrate its internal efforts and resources where it can reach the largest scale and have the most impact building on its investment and experience to date – China, India and Pakistan. BCI works directly in these three countries, employing staff to liaise and coordinate the activities of Implementing Partners.

However, in order to safeguard the future development of Better Cotton as a more sustainable mainstream commodity, BCI needs to ensure its own financial resilience. This means BCI is adopting a less investment-intensive approach in other cotton producing countries. This is accomplished by developing and maintaining partnerships in countries where Better Cotton is not yet grown. For this reason, the Start-Up Process is intended to be self-funding and has been designed to be implemented largely independently from BCI (though exceptions may occur where a strong rationale provides a compelling case).

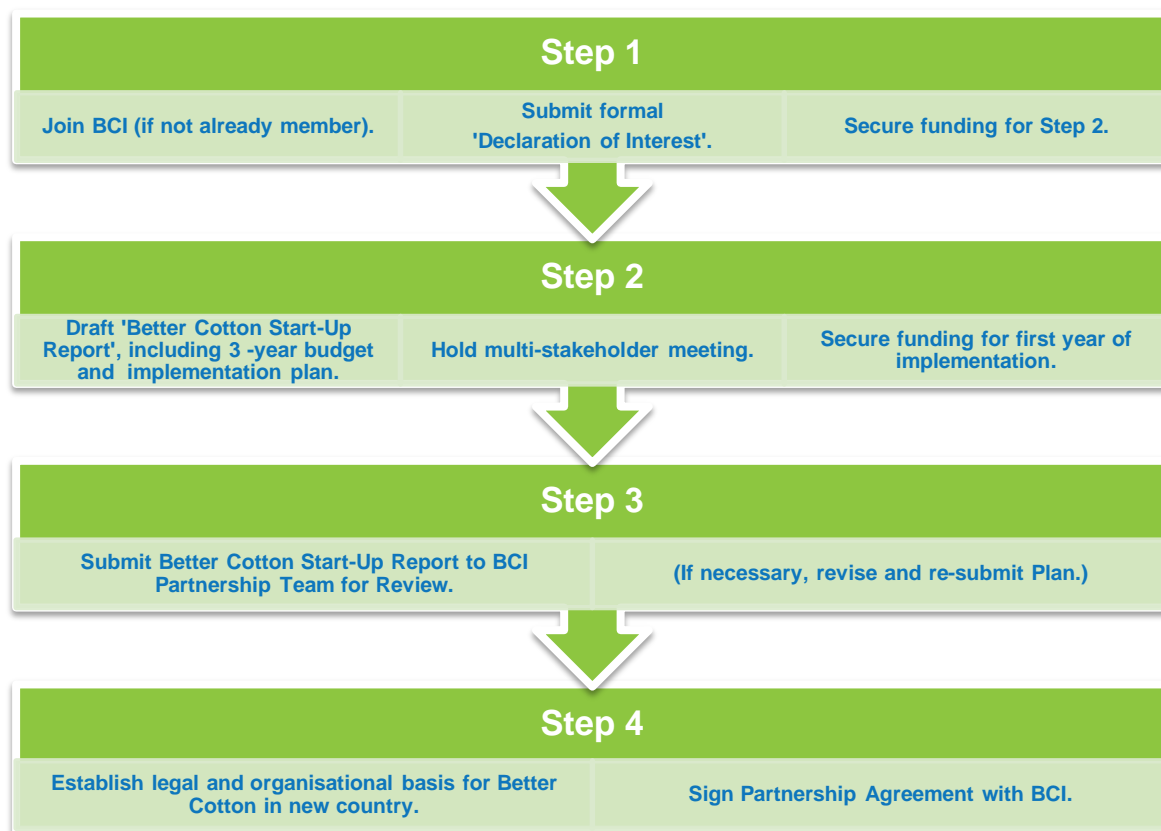
## Who can initiate the Start-Up Process?

Better Cotton recognises that it is vital to work with a broad range of partners. BCI therefore has Strategic 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 Start-Up Process for a new country, provided they meet the requirements under Step 1 (below). In particular, this means demonstrating that the proposed Start-Up Process – and the entity which proposes to support the process – enjoys the **support of the national cotton industry**. Further, given BCI's aim to ensure financial sustainability, a new Start-Up Process needs to demonstrate that **adequate potential funding sources** are in place to cover both initial one-off costs and resources for on-going operations.

## What does the Start-Up Process entail?

The Start-Up Process involves four steps, simplified below.



## Timing

Based on prior experience, BCI has found that it takes Partners **a minimum of 6 months and up to 1.5 years** to complete the Start-Up Process, following the 4 steps above.

All four steps of the Start-Up Process are to be completed **before cotton planting takes place**, in order for the coming season's cotton to be able to qualify as Better Cotton. Failure to complete the Start-Up Process prior to planting will likely mean that the Better Cotton will not be recognized until the following season.

## Recommended Pre-Reading

Potential partners are strongly encouraged to download and read this **material** before proceeding further.

List of material:

Document	Relevance
1. <b>Better Cotton Production Principles &amp;</b>	This is the Better Cotton Standard that sets out both minimum requirements and continuous improvements that farmers need to

<b>Criteria</b>	meet in order for their cotton to be recognised as Better Cotton.
<b>2. Example of Identification Stage Report</b>	This is an example of an approved report, which serves to identify key sustainability issues, means to address these issues, key actors and potential means of implementation.
<b>3. Partnership Framework</b>	This document sets out the procedural and structural arrangements for collaborative working between BCI and its partners
<b>4. Better Cotton Assurance Programme</b>	Credibility is key to Better Cotton and this means demonstrating that Better Cotton is, in fact, better – for the environment, for farmers and for the cotton-producing community. These procedures describe BCI's requirements for reporting information on Better Cotton implementation and its results.
<b>5. List of Stakeholders for Consultation</b>	BCI has found that success lies in early and broad engagement with all the different groups who may be affected by Better Cotton farming. Further, it is critical to understand and communicate the rationale for each actor or organisation to support Better Cotton farming.
<b>6. Start-Up Process Budget Template</b>	BCI has a way of working which is globally recognised as leading practice. This means going beyond simply establishing and applying a standard. BCI's approach is to understand and respond to local needs, to engage and give responsibility to local organisations, and to demonstrate that Better Cotton works. Consequently the Start-Up Process is more involved than simply communicating the Better Cotton Standard and this entails real up-front investment. BCI experience suggests that the returns of this investment are also real.

## Step 1 – Membership of BCI and Declaration of Interest

As a first step, interested parties need to become members of BCI, if they are not already. To apply, please contact [membership@bettercotton.org](mailto:membership@bettercotton.org). Applications take between 4-6 weeks to process. A governmental organisation cannot become a member therefore application is not necessary.

The applicant should then make a formal 'Declaration of Interest' to BCI. The declaration should include the following points:

Requirements	What you need to know
1. Proven interest to implement Better Cotton at scale with a defined minimum production target for Year 1.	Requires indication of hectares, lint volume and number of farmers (expressed in absolute terms and as a % of national production) that could grow Better Cotton and how to reach a substantial percentage of national coverage.
2. Proven demand for Better Cotton from this origin (% exported and key export markets).	Requires identification of linkages to supply chains where Better Cotton demand is present – please see BCI supply chain membership here: <a href="http://bettercotton.org/about-bci/bci-structure/members/">http://bettercotton.org/about-bci/bci-structure/members/</a> .
3. Official letter from national body working with cotton production highlighting why Better Cotton is of interest to the country.	National body can be government, grower organisation, or other overseeing cotton sector organisation at a national level.

4. List of stakeholders for consultation in <b>Step 2</b> (below) with identified incentive/business case for Better Cotton for each stakeholder category.	Stakeholder categories include government, civil society, cotton producer organisations, ginners, traders/merchants, spinners/mills, retailers/brands, financial institutions, academia/research, and cotton trade/production associations.
5. Secured financing to follow and complete <b>Step 2</b> .	Estimated finance required to complete the Start-Up Process is a minimum of Euro 50,000. Funding could come from commercial participants, industry associations, government bodies or donors.  See <b>budget template</b> in pre-read materials.
6. Potential sources of funding for implementation identified and described.	This will increase as more growers participate but will be lower if there are existing sustainability activities and good production standards.

Please send your 'Declaration of Interest' comprehensively covering **all six requirements** above to [partnership@bettercotton.org](mailto:partnership@bettercotton.org). The application should not be longer than 10 pages.

BCI will respond within 20 working days stating whether the 'Declaration of Interest' has been accepted.

If an application does not cover all requirements sufficiently it will be rejected. An application can only be re-submitted once within the 6 months following initial rejection. If it is rejected a second time, one year must elapse before re-submission.

## Step 2 – Better Cotton Start-Up Report

If you do not have a staff member with enough time to dedicate to this work we recommend that you contract a consultant. Depending on the context and information already available, it may be necessary to use both local and international expertise. BCI can recommend specialist, experienced consultants in this field. Do not underestimate the effort and time that preparation of the Start-Up Report requires.

Requirements	Guidance available	Cost line
Work plan and detailed budget and Terms of Reference for consultants to assist in completing the Start-Up Process.	<b>Start-Up Process Budget Template</b> in Excel.  <b>Terms of Reference for consultants.</b>	Staff/consultant time.
Travel to meet with BCI Partnership Team.	Purpose is to maximise effective implementation of these guidelines, and to build a good working relationship with BCI.	Price of return ticket to Geneva + accommodation.
Translation of Better Cotton information into relevant national language.	<b>List of translation items.</b> <b>ZIP file</b> containing Word versions in	~200,000 words.

Requirements	Guidance available	Cost line
	English.	
Prepare Draft Better Cotton Start-Up Report <i>to share with workshop participants.</i>	<b>Better Cotton Start-Up Report Template</b>	Staff/consultant time
<p>Prepare, deliver, and report on a national multi-stakeholder workshop on launching Better Cotton.</p> <p>BCI must approve the participant invitation list.</p> <p>The BCI Partnership Director must be invited to speak.</p>	<p>Workshop objectives:</p> <ul style="list-style-type: none"> <li>To improve and share understanding of the environmental and socio-economic context of the cotton sector and major challenges to address</li> <li>To identify existing activities to build upon with Better Cotton synergies</li> <li>To identify implementation and financing strategies for Better Cotton at farm level and for traceability.</li> </ul> <p><b>Workshop Agenda Template.</b></p>	Staff/consultant time plus the workshop costs (estimated Euro c.20,000)
Develop a 3 Year implementation plan with activity-based cost analysis, to be annexed to the Start-Up Report	<b>Better Cotton 3 Year Implementation Plan Outline with Year 1 activities itemized, and Year 2 and 3 activities identified in higher level categories.</b>	Staff/consultant time.
Confirmed financing and business model to cover annual costs in Year 1 of implementation and 2 following years of operations.	<b>3 Year operational budget to be developed ad hoc.</b>	Staff/consultant time + travel.

Requirements	Guidance available	Cost line
<p>Submission of Final Better Cotton Start-Up Report to BCI Partnership Team for review and approval that includes:</p> <ul style="list-style-type: none"> <li>- Executive Summary;</li> <li>- Key Environmental, Social and Economic issues to address;</li> <li>- Report from multi-stakeholder workshop;</li> <li>- 3 year implementation plan and cost analysis;</li> <li>- Description of financial/business model and 3 year income projections, and;</li> <li>- Overview of investment secured for Year 1 of implementation.</li> </ul>	<p>It is important to have shared a draft summary of this plan with the participants at the multi-stakeholder workshop and with the BCI Partnership Team so that any weaknesses in the report can be addressed.</p>	<p>Staff/consultant time.</p>

#### List of Guiding Templates from BCI that you should use:

1. Translation requirements with Word documents for translation [ZIP format]
2. Start Up Budget Template [Excel format]
3. 3 Year Operational Budget [Excel format]
4. 3 year Better Cotton Start-Up Plan [Word format]
5. Multi-stakeholder Workshop Agenda [Word format]

### Step 3 – Better Cotton Start-Up Plan to BCI Management Team for Approval

As a final step, the Start-Up Plan will be formally reviewed and endorsed by the BCI Leadership Team with a decision in writing to be issued within 1 month.

### Step 4 – Building a Partnership

In order for Better Cotton to be grown in the country, there must be a partnership agreement signed between BCI and a local organisation authorized to represent the local participants in the program.

Building a partnership between various participants and stakeholders takes time and care. It is vital to build the key elements of partnering principles, a partnership vision and ground rules. Long term relationships must be built between partners to ensure ownership and trust. This typically entails several meetings in the early stages with all partners to discuss and build these elements: work which will help to seed the culture of the partnership.

Once a consensus has been reached on partnership principles and ground rules it is time to sign an agreement. The agreement will ensure an effective partnership governance structure including day-to-day operations, decision making process, and clearly defined roles and responsibilities of the parties.



Any partnership agreement will be the outcome of a process of discussion and negotiation. To ensure that all parties respect the final agreement it is vital that it is:

- » Developed and agreed between the parties as equals;
- » Based on a process allowing for the underlying interests of all parties to be drawn out and discussed in a purposeful way;
- » Built based on consensus and complementarity regardless of diverse aspirations;
- » Designed to be reviewed and amended regularly so that it is responsive to changing circumstances, and;
- » Entered into voluntarily – with no sense of one partner imposing terms and conditions.