

A large, solid green arrow graphic points from the left edge of the page towards the title. It is positioned vertically, with its tail on the left and its head pointing towards the right, where the title text is located.

THE BETTER COTTON ASSURANCE PROGRAM

APPLICABLE FROM 2014 HARVEST SEASON

This document presents an overview of the Better Cotton Assurance Program including the roles of the different stakeholders in assurance, the Better Cotton Performance Scale, key assurance mechanisms and the licensing process. A list of detailed tools and templates for implementing the Assurance Program is presented as Appendices.

Table of Contents

Table of Contents	1
Executive Summary	2
1. Introduction	3
1.1 Purpose of the Better Cotton Assurance Program	3
2. The Role of Stakeholders in Assurance.....	3
2.1 Key Stakeholders and type of assessment	4
2.2 Roles and Responsibilities of Stakeholders.....	4
3. The Better Cotton Performance Scale	9
3.1 Better Cotton Production Principles and Criteria	10
3.2 Minimum Requirements – absolute measures	10
3.2.1 Minimum Production Criteria	10
3.2.2 Management Criteria	10
3.2.3 Reporting on Results Indicators.....	11
3.3 Improvement Requirements – recording relative improvements	11
4. The Assurance Mechanisms.....	13
4.1 Self assessment	13
4.1.1 Internal Management System.....	13
4.1.2 Large farms.....	14
4.2 External Assessment.....	14
5. Decision Making and Licensing	15
4.1 Producer Unit licensing.....	16
4.2 Large Farms licensing	18
4.3 how to become a Better Cotton Farmer.....	20
6. Appeal Process.....	22
7. Final Note.....	22

Executive Summary

The Better Cotton Assurance Program is a critical component of the Better Cotton Standard System, which aims to improve livelihoods and economic development in cotton producing areas and reduce the environmental impact of cotton. It involves farmers participating in a continuous cycle of learning and improvement, and is the central mechanism for assessing whether farmers can grow and sell Better Cotton.

Farms are differentiated by three categories (smallholders, medium farms and large farms) in recognition of the differences in production methods and workforces they use. Smallholders and medium farms are grouped into *Producer Units*, whilst large farms go through the assurance process on an individual basis. Smallholders are further organised into *Learning Groups*.

To be licensed to grow Better Cotton, farmers¹ must first reach a set of *Minimum Requirements*. Minimum Production Criteria, Management Criteria and Reporting on Results Indicators are all part of the Minimum Requirements. These ensure that Better Cotton meets clearly defined standards for pesticide use, water management, decent work, record keeping, training and other factors.

Minimum Requirements are just the first stage. At the same time, farmers are encouraged to develop further through *Improvement Requirements*. Improvements are measured through a concise questionnaire telling the on-going story of how things are changing for the better. Farmers receive a score based on their answers and their results are presented transparently in performance bands for each category of farmers. High scoring farmers are rewarded through extended Better Cotton licence periods. The better the score the longer the licence.

The Minimum and Improvement Requirements together constitute the *Better Cotton Performance Scale*. A different scale is proposed for each category of farmers as the requirements to grow Better Cotton differs per category of farmers.

The credibility of the Better Cotton Assurance Program is based on a number of complementary mechanisms: Self-assessment at Producer Unit (for smallholders and medium farms) or individual level for large farms, 2nd Party Credibility Checks (by BCI and/or Partners) and 3rd Party verification (by independent verifiers).

¹ The level of qualification for Better Cotton can be made either at individual or Producer Unit level depending on the categorisation of farmers. In this document the word 'farmer' is used interchangeably to indicate either a Producer Unit or large farm.

1. Introduction

The Better Cotton Assurance Program is a critical component in the Better Cotton Standard System for measuring continuous improvement for farmers. It creates an enabling and motivating process of understanding, planning, doing, learning and improving, strengthened by investments made in the capacity building of farmers and partners. It is designed to be accessible for farmers of all sizes.

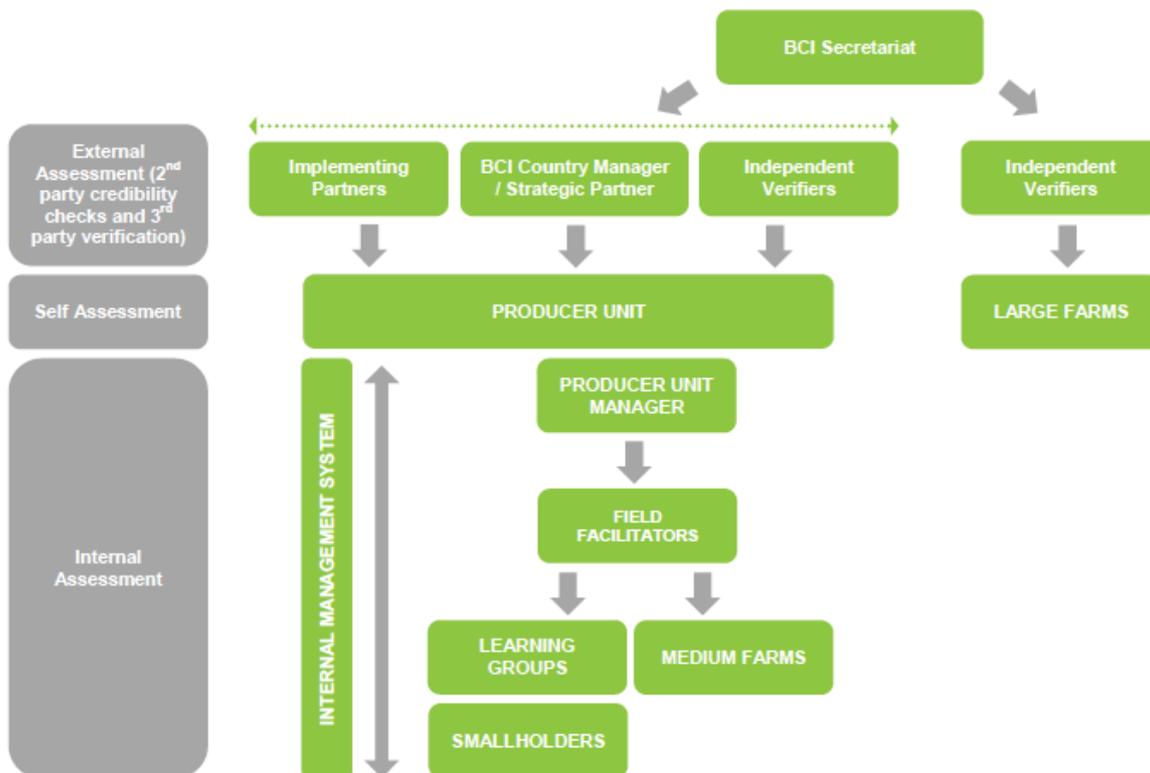
1.1 Purpose of the Better Cotton Assurance Program

- » Assess the needs of farmers
- » Learn through monitoring progress, assessing results and exchanging experiences
- » Provide an incentive for farmers to comply with the Better Cotton Production Principles and Criteria leading to increased improvement
- » Assess whether farmers have reached a set of Minimum Requirements and therefore can grow and sell Better Cotton
- » Assess whether farmers demonstrate progress in line with the Improvement Requirements
- » Safeguard the credibility of the assessment results through external assessment (2nd Party checks and 3rd Party Verification)
- » Help instil public confidence in the results of assurance thereby increasing the use of Better Cotton
- » Measure sustainability improvements through the collection of the Better Cotton Results Indicators

2. The Role of Stakeholders in Assurance

This section highlights the key stakeholders and their generic role in the Assurance Program, although the structure of cotton production systems as well as the roles of the organisations involved in cotton production will vary significantly across regions.

2.1 Key Stakeholders and type of assessment



2.2 Roles and Responsibilities of Stakeholders

Roles	Responsibilities
FARMERS	
<p>In recognition of the differences in production methods and workforce between smallholders and large farms, and the difference in capacity between smallholders and large farms to improve cotton production practices, farmers are categorised as follows (see Appendices for detailed categorisation of farmers):</p> <ul style="list-style-type: none"> » Smallholders Producer Unit where farmers are not structurally dependent on permanent hired labour. Farm size in the Producer Unit does not exceed 20ha of cotton. Self-assessment and licensing is done at Producer Unit level (through an Internal Management System). » Medium Farms Producer Unit where farmers are structurally dependent on permanent hired labour. Farm size in the Producer Unit is between 20 to 200ha of cotton. Self-assessment and licensing is done at Producer Unit level (through an Internal Management System). 	<ul style="list-style-type: none"> » Carry out activities to meet the Better Cotton Minimum and Improvement Requirements. » Maintain Farmer Field Book and keep records on BCI Results Indicators. » Participate in the Self-assessment process in the case of large farms.

<p>» Large Farms Farmers which are structurally dependent on permanent hired labour. Farm size is above 200ha of cotton. Self-assessment and licensing is done at individual level.</p>	
<p>LEARNING GROUPS (LG) for smallholders only</p>	
<p>Smallholders are organised into Learning Groups in order to provide a learning environment for farmers, where smallholders can meet, discuss and learn about growing Better Cotton, and as a means to efficiently collect and collate data.</p> <p>A lead farmer is identified for each Learning Groups based on the existing leadership of the group. Lead farmers are expected to facilitate the learning of all LG members.</p> <p>The LG size should be defined according to local circumstances (e.g. farm size, transport logistics of seed cotton), with an optimal LG size of 35 farmers (minimum 25/ maximum 40).</p>	<ul style="list-style-type: none"> » Participate in participatory peer reviews on the progress being made in achieving the Minimum and Improvement Requirements. » Lead farmers to take the initiative in supporting other farmers to keep records and adopt the practices promoted in the training program.
<p>FIELD FACILITATORS (FF)</p>	
<p>Facilitators play an important role in supporting Learning Group and medium farms to achieve the Minimum and Improvement Requirements through ongoing support during the season.</p> <p>Facilitators are selected (and paid) by the Implementing Partners and trained by BCI. The role requires appropriate facilitation skills to train farmers and conduct participatory reviews. Their number is expected to go down as the Unit becomes more experienced with Better Cotton. In the early days an optimal size is a maximum of 10 Learning Groups per facilitators in the context of smallholders. However, this number largely depends on existing local realities.</p> <p>The intention is that Facilitators will not remain permanently with farmers, though play a very important role in the initial years of growing Better Cotton. As farmers' confidence and competence with Better Cotton grows, it is expected that lead farmers will gradually replace facilitators.</p>	<ul style="list-style-type: none"> » Participate in BCI training by a BCI accredited trainer and attend any subsequent refresher training as required by BCI. » Categorise farmers into their appropriate category and form Learning Groups when appropriate. » Train farmers on the Better Cotton Production Principles and Criteria. » Conduct participatory peer reviews on the progress being made in achieving the Minimum and Improvement Requirements. » Support communication between Producer Unit and farmers. » Facilitate the 2nd and 3rd party verification process with smallholders and medium farms. » Facilitate the collection of data from smallholders and medium farms.
<p>PRODUCER UNIT (PU)</p>	
<p>A number of Learning Groups or medium farms form a Producer Unit (PU). Each PU has an Internal Management System (IMS) in place, coordinated by a dedicated Producer Unit Manager (PU Manager). Each PU must have its own PU manager.</p> <p>The PU Manager is selected by the Implementing Partner and trained by BCI. They need to fully master the requirements of the Better Cotton Assurance Program.</p> <p>The size of a PU will depend on local circumstances though the optimal size is between 3500 to 4000</p>	<ul style="list-style-type: none"> » PU Managers are trained by a BCI accredited trainer and attend any subsequent refresher training as required by BCI. » Coordinate the Internal Management System. » Conduct annual self-assessment on Minimum and Improvement Requirements. » Develop continuous improvement plan and review it on an annual basis. » Operate a system to collect, compile and report accurate data from farmer to Producer Unit (and to BCI).

farmers for smallholders with a maximum of 100 LGs. In the case of medium farms the optimal size is 100 farmers per Producer Unit.

Different categories of producers are not mixed in the same Producer Unit.

- » Conduct internal assessment on a sample of farmers in the unit.
- » Identify and address issues/risks associated with potential non-compliance.
- » Plan/enforce implementation of corrective actions resulting from monitoring of activities.
- » Develop necessary training material for farmer (with support from Implementing Partner).
- » Participate in any 2nd party credibility checks or 3rd party verifications carried out.

IMPLEMENTING PARTNER (IP)

Implementing Partners (IPs) are organisations interested in working with cotton farmers to enable them to grow Better Cotton. They are linked to BCI through a specific contract (i.e. Implementation Partnership Agreement). They are responsible for creating an enabling environment for the farmers to participate in the Better Cotton Standard System and to grow and sell Better Cotton.

There is no restriction on who can be a BCI Implementing Partner (IP), although all BCI IPs need to first be members of BCI. They can range from a producer organisation to a garment manufacturer or from a non-governmental organisation to a government institution.

BCI selects and monitors Implementing Partners through a consistent and stringent endorsement, monitoring process shared transparently with partners.

Building the capacity of the PU Manager is an essential component of the exit strategy of the Implementing Partner.

- » Support Producer Unit in conducting their activities. The IP is responsible for supporting PU Managers so that they have the knowledge and skills required to manage the PU successfully.
- » Carry out 2nd Party Credibility Checks on PU (including the preparation of corrective actions).
- » Share best practices with BCI

BCI COUNTRY MANAGER

Country Managers take the final decision on licensing and thus the selling of Better Cotton by the Producer Unit on the basis of PU self-assessment, 2nd Party Credibility Checks and 3rd Party verification.

(in the context of large farms, 3rd party verifiers take the decision on compliance)

BCI Country Managers are the contact point for BCI in that country/region, and are responsible for oversight of the implementation of the Better Cotton Standard System.

- » Carry out 2nd party credibility check on Producer Unit Internal Management System.
- » Review Producer Unit self-assessment.
- » Support 3rd Party Verification process (and conduct shadow verification of verifiers).
- » Prepare Corrective Action for Implementing Partner/Producer Unit on the basis of external assessment report (2nd party or 3rd party).
- » Decide if PUs are growing Better Cotton or not in that season.
- » Validate duration of the licence.
- » Communicate the decision on Better Cotton production to the BCI Secretariat, the relevant ginner/trader and PU.
- » Support and advise IPs on the requirements of the Better Cotton Standard System.
- » Collect and collate results from each PU.

STRATEGIC PARTNERS

BCI also engages with different institutions in medium & long-term alliances to foster Better Cotton production worldwide. Typically these partnerships cover specific geographical areas and involve mutual commitment from the partners, as well as specific complementary skills and abilities provided by all parties.

These partners take significant leadership for Better Cotton in their specific area and they aim to fully operate on behalf of BCI. They are linked to BCI through a specific contract (i.e. Partnership Agreement).

BCI selects and monitors Strategic Partners through a consistent and stringent endorsement/monitoring process shared transparently with partners.

- » Operate on behalf of BCI in partnership countries and take over Country Manager responsibilities following a due diligence process.

BCI SECRETARIAT

The role of the Secretariat is to uphold the meaning and credibility of Better Cotton, to coordinate services, activities and funding, facilitate the sharing of best practice, and to manage the membership association. The Secretariat is responsible for coordinating the 3rd party verification process globally.

The Secretariat conducts a risk analysis (see Appendix for methodology) covering all regions where Better Cotton is produced. The results of this risk analysis are used to decide where 50% of the verification takes place. The other 50% take place based on random selection.

- » Conduct a risk analysis.
- » Decide on 3rd party verification: where, when and how
- » Identify, train and approve 3rd party verifiers.
- » Decide on an appeal made by a Producer Unit or large farm.

INDEPENDENT VERIFIER

The BCI works with 3rd party verifiers to ensure the

- » Participate in BCI training.

credibility of the self-assessment process. They are independent parties approved by BCI, preferably nationally based.

The approval procedures for verifiers including core competencies required, application procedures, shadow verification visits by BCI are presented in Appendices.

- » Conduct the 3rd Party Verification visits.
- » Verify the results of self-assessment.
- » Prepare Verification Report.
- » Take decision on licensing in the case of large farms.

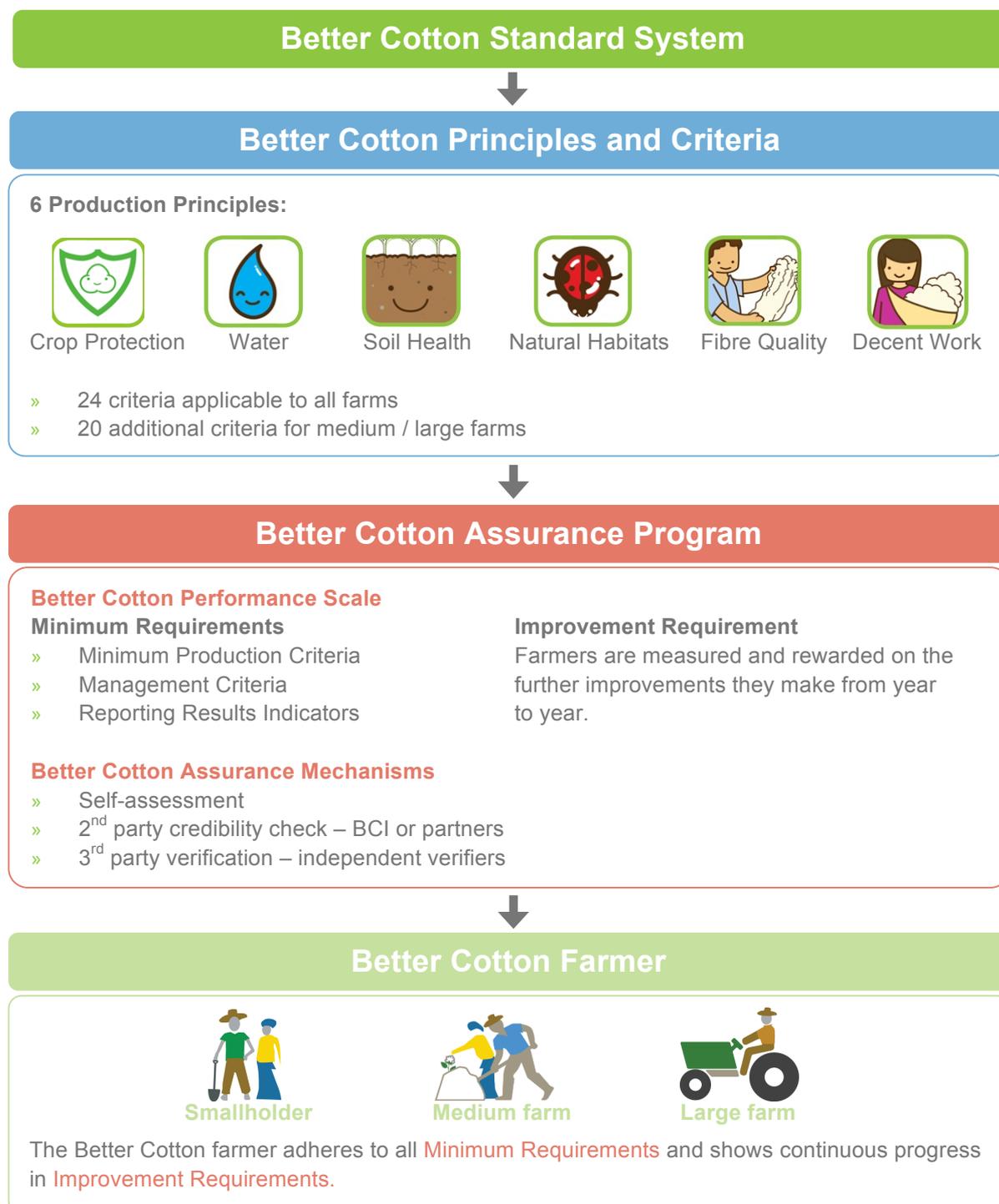
BCI COUNCIL

The Council's role is to ensure that BCI has a clear strategic direction and an adequate policy to successfully fulfil its mission. It guides the strategy and policy development in accordance with BCI's long term objectives and all procedures and activities in compliance with BCI's Statutes.

- » To decide on a grievance by an IP or PU, or refer that grievance to the BCI Grievance Management Committee (the BCI grievance management process is available on the BCI website).

3. The Better Cotton Performance Scale

The *Better Cotton Production Principles and Criteria* are the basis for the Better Cotton Performance Scale, and inform the Minimum Requirements and Improvement Requirements for Better Cotton Production.



To be licensed to grow Better Cotton, farmers must reach a set of Minimum Requirements. Once this has been achieved, farmers are encouraged to develop further through Improvement Requirements. The fixed nature of the Minimum Requirements ensures that Better Cotton remains authentic and credible, while the relative measures of the Improvement Requirements tell the ongoing story of how things are changing for the better.

3.1 Better Cotton Production Principles and Criteria

BCI defines six Production Principles that describe the broad areas under the control of the farmer that need to be addressed in order to produce Better Cotton.

Better Cotton is produced by farmers who:

1. Minimise the harmful impact of crop protection practices;
2. Use water efficiently and care for the availability of water;
3. Care for the health of the soil;
4. Conserve natural habitats;
5. Care for and preserve the quality of the fibre;
6. Promote Decent Work.

The six Production Principles are further defined by 24 criteria for smallholders and 44 criteria for medium and large farms, providing a greater level of detail on the specific areas that needs to be addressed within each Production Principle. The Production Principles and Criteria can be viewed or downloaded on the BCI website.

The Production Principles and Criteria guide and inform the Minimum Requirements and Improvement Requirements for growing Better Cotton.

3.2 Minimum Requirements – absolute measures

To be licensed to grow Better Cotton, farmers must reach a set of Minimum Requirements. Minimum Production Criteria, Management Criteria and Reporting on Results Indicators are all part of the Minimum Requirements. These ensure that Better Cotton meets clearly defined standards for pesticide use, water management, decent work, record keeping, training and other factors.

3.2.1 Minimum Production Criteria

The Minimum Production Criteria are a sub-set of the *Better Cotton Production Principles and Criteria*. The Minimum Production Criteria have been selected through an extensive multi-stakeholder consultative process. They were selected to provide incentives for farmers to make further and continuous sustainable progress over the long-term. More specifically,

- » Bring cotton farmers and farming communities immediate economic and health benefits through reduced pesticide use, reduced risk taking in pesticide preparation and application, and greater collective bargaining power through better organisation;
- » Recognise the fundamental labour rights of cotton farming communities and cotton farm workers, while seeking to remediate the downward economic pressures which perpetuate breaches of these rights;
- » Immediately reduce stress on the environment in relation to pesticide toxicity levels and availability of water.

3.2.2 Management Criteria

In addition to the Minimum Production Criteria, Management criteria are introduced as an integral part of the model. In the case of smallholders and medium farms, they reflect the requirements for Producer Units to implement aspects such as training, data management,

planning or review and monitoring as part of the Internal Management System. In the case of large farms, the Management Criteria relate to data management, performance planning and review and monitoring.

3.2.3 Reporting on Results Indicators

Reporting on Results Indicators (e.g. pesticide use, water use, fertiliser use, profitability, etc.) is fully integrated into the Assurance Program to ensure that sustainability improvements are adequately measured everywhere Better Cotton is produced. This data must be collected when farmers join the Better Cotton Standard System, and every following season. The data collected is also compared with control groups. Reporting is done at Producer Unit level in the case of smallholders or at individual level in the case of medium and large farms. The data collection methodology, including sampling approach for both control and Better Cotton farmers is presented in the Appendices. In addition to the data reported by farmers (through their Farmer Field Books), BCI conducts annually independent case studies to collect data from samples of Better Cotton and control farmers. The findings of these independent studies are compared to the data reported by farmers and any major discrepancies will be investigated.

BCI reserves the right to cancel a licence if requirements on Results Indicators reporting are not met. Results Indicators are used in two-way communication back to farmers in order to lead to better decision-making.

Reporting on Results Indicators (see also Appendices for more detailed information)

	Indicators be reported	Sampling approach	Control groups
Smallholders	1. Pesticide use 2. Fertiliser use 3. Water use 4. Yield 5. Elimination of child labour 6. Influence of women 7. Profitability	Representative sampling based approach at Producer Unit level	Yes
Medium farms	1. Pesticide use 2. Fertiliser use 3. Water use 4. Yield 5. Elimination of child labour 6. Influence of women 7. Profitability	100% - data collected from all farms	Yes
Large farms	1. Pesticide use 2. Fertiliser use 3. Water use 4. Yield	100% - data collected from all farms	Yes

3.3 Improvement Requirements – recording relative improvements

At the heart of the Assurance Program is a system that records the annual improvements that farmers make on the Better Cotton Production Principles and Criteria. This might be increased recycling, a better approach to habitat management, or improved soil management practices. The Assurance Program works from the premise that meeting the Minimum Requirements is just the first stage: at the same time farmers are rewarded on the further improvements they make through the improvement requirements. This system helps farmers measure, manage, improve and promote their performance in relation to the Better Cotton Production Principles and Criteria.

Improvements are measured through a concise questionnaire completed either at Producer Unit level (in the case of smallholders and medium farms) or individual level (in the case of large farms).

The BCI secretariat defines the scoring system on the basis of the questionnaire. Farmers'² results will be published transparently in Performance Bands (the scoring determines which band the farmer falls into):

- » **Pass** – for farmers who have met the Minimum Requirements at an early stage of improvement
- » **Advanced Level** – for farmers reaching maturity
- » **Masters Level** – for farmers working at the highest level

Feedback to farmers will be provided by BCI on their relative performance as compared to fellow farmers. The comparison of performance will only be made within country and within farmer category. In this way, farmers who wish to improve in particular areas can identify high scoring peers and approach them for assistance with support from BCI and partners. As farmers advance through the levels, they will be expected to devote more time to sharing their processes and practices with other Better Cotton farmers who are seeking to improve.

There are no requirements for farmers to step-up through the different levels and they can choose to stay at pass level if they wish. However, high scoring farmers will be rewarded through extended Better Cotton licence periods – the better the score, the longer the licence. A longer licence period also means a lower intensity of external assessment.

Performance and Licence duration

Performance Level	Licence Duration
Pass	1 year
Advanced Level	3 years
Masters Level	5 years

Overall, the Better Cotton Performance Scale supports farmers in their journey from getting started to reaching an advanced level as experienced and skilled Better Cotton farmers. It gives them the tools, information and encouragement they need to improve their operations each year. The Better Cotton Performance Scale for each category of farmers is presented in the Appendices.

² In the following text, the word 'farmer' is used interchangeably to indicate either a Producer Unit or a large farm.

4. The Assurance Mechanisms

4.1 Self-assessment

One of the fundamental tools of the Assurance Program is self-assessment. The self-assessment process is different for each category of farmers as they have different Minimum and Improvement Requirements (see the different Better Cotton Performance Scales in the Appendices). Self-assessment combined with 2nd party credibility checks and 3rd party verification allows for a credible and cost effective Assurance Program.

Self-assessment on Minimum Requirements has to be completed annually. Self-assessment on the Improvement Requirements has to be conducted only when the licence is first issued or when due for renewal to determine the duration of the licence.

	Smallholders/medium farms	Large farms	Intensity
Self-assessment	Producer Unit level (based on Internal Management System)	Individual level	1. For Minimum requirements: annually 2. For Improvement Requirements: when licence first needs to be issued or when renewal of licence is due

4.1.1 Internal Management System

For smallholders and medium farms the self-assessment is done at Producer Unit level on the basis of the *Internal Management System* (IMS) of the Producer Unit coordinated by the PU Manager. The PU Manager plays a central role in the process by assessing and reporting to BCI the performance of the PU on an annual basis. The Internal Management System for Producer Units is summarised below:

The Internal Management System for Producer Units (smallholders and medium farms):

PU Manager

- » Participate in training delivered by BCI accredited trainer and attend any subsequent refresher training (as required by BCI)
- » Ensure that all facilitators are trained by a BCI accredited trainer
- » Develop a continuous improvement plan and review progress on annual basis (see Appendices for continuous improvement plan template for each category of farmers)
- » Develop a protocol to identify workers on the farm and train them on all relevant aspects of Decent Work
- » Set up an appropriate data management system
- » Identify and address issues/risks associated with implementation/ potential non compliance
- » Plan/ enforce implementation of corrective actions resulting from monitoring activities
- » Conduct Internal assessment on 10% of the Learning Group (for smallholders) or 10% of medium farms including all facilitators (see Appendices for internal assessment procedures)
- » Ensure that training materials are available for facilitators and farmers to cover all the Minimum Production Criteria (See Appendices for training recommendations)
- » Complete self-assessment 4 weeks before the beginning of harvest and submit to BCI
- » Cooperate with Implementing Partners, BCI or verifiers during external assessment

- » Provide feedback to farmers on the ability to sell Better Cotton or not

Facilitators

- » Participate in training delivered by BCI accredited trainer and attend any subsequent refresher training (as required by BCI)
- » Prior to the first growing season conduct a number of awareness raising meetings on the issues of sustainability in the cotton sector (tailored to the local situation and the production systems) and the requirements of the Better Cotton Standard System for farmers to take an informed decision on whether they want to participate as Better Cotton farmers or not
- » Categorise farmers into smallholders or medium farms
- » Group farmers into Learning Group (for smallholders only)
- » Provide training to farmers on the requirement of the Better Cotton Standard System during the cotton growing season (see Appendices for training recommendation)
- » Ensure that farmers can maintain a Farmer Field Book and learn from it
- » Assess the level of adoption/progress at Learning Group / medium farm level

Farmers

- » Fill in the Farmer Field Book with support from facilitators
- » Carry out activities to meet the Minimum and Improvement Requirements
- » Participate in review of progress with facilitators

4.1.2 Large farms

In the case of large farms, self-assessment is carried out directly by individual farm managers filling out a self-assessment form and submitting it to BCI.

4.2 External Assessment

External Assessment is carried out by a number of actors:

- » 2nd Party Credibility Checks by Country Managers (or Strategic Partners operating on behalf of BCI in partnership countries)
- » 2nd Party Credibility Checks by Implementing Partners
- » 3rd Party verification by independent verifiers

The general objectives of the external assessments are to:

- » Check in situ the status of farmers/Producer Unit against the Better Cotton Minimum and Improvement Requirements
- » Support the farmers/Producer Unit in identifying both areas that are going well and areas for improvement
- » Review the effectiveness of the Internal Management System and identify systemic/incidental non compliance (in the context of Producer Unit licensing)
- » Review the self assessment process
- » Enable corrective action to take place as soon as possible and enhance the likelihood of farmers producing Better Cotton
- » Provide the BCI Country Managers with a sufficient level of confidence to decide about whether to issue a licence to sell Better Cotton (in the context of Producer Unit licensing)

An external assessment includes the following components:

1. Gather information from local sources (for 3rd Party verification only)
2. Management Interview

3. Farmers interview
4. Workers interview
5. Documentation review
6. Visual inspection
7. Analysis and reporting

The procedures and report template for external assessment (on Minimum and Improvement Requirements) for each category of farmers are presented in the Appendices. Corrective Actions for farmers are identified as a result of 2nd party credibility checks and 3rd party verification. These actions provide farmers with information on how they can improve their performance against the Better Cotton Performance Scale.

Alongside external assessment, the BCI Secretariat facilitates an open and inclusive approach to feedback from its members or partners. When any BCI member, partner or other organisation formally involved in BCI is concerned about the correctness of the self-assessments, the functioning of the PU or the IP, they can submit a grievance through the BCI Grievance Management Process. When any other party has similar doubts they are encouraged to contact the relevant BCI Country Manager.

As per the self-assessment process, the External Assessment process also differs for each category of farmers. The table below details the different external assessment per category of farms. See also the risk assessment methodology in the Appendices for more information.

External Assessment Process for the different categories of farmers

	Smallholders/medium farms	Large farms	Intensity (when applicable)
Minimum Requirements			
2nd party checks by BCI Country Manager or Strategic Partner	50% of high risk PU 25% of average risk PU 10% of low risk PU at a national level during the season. At a minimum one PU per project is checked.	None	Annually for the PU to be licensed*
2nd party checks by Implementing Partners	50% of PU during the season selected at random	None	Annually for the PU to be licensed* (conducted separately from BCI checks)
3rd party verification conducted by BCI approved verifiers	Square root of the number of PU at country level, of which 50% are at random and 50% are based on a risk analysis conducted by the BCI secretariat.	All farms – 100% verification	Annually for the PU/farms to be licensed*
Improvement Requirements			
2nd Party Checks by BCI Country Manager or strategic Partner	10% highest performers at a national level (on the basis of the national performance report from the previous season)	None	Annually (highest performers are checked only once during the duration of the licence period)
3rd Party verification	None	All farms – 100% verification to validate duration	Annually for the farm to be licensed*

* When the licence first needs to be issued or renewal of licence is due

5. Decision Making and Licensing

The decision making for licences is done by:

- » BCI Country Manager or Strategic Partner in the context of Producer Unit level licensing (Smallholders/Medium Farms)
- » 3rd Party verifiers in the context of large farms

5.1 Producer Unit licensing

The decision as to whether a PU is growing and selling their seed cotton as Better Cotton is taken by the BCI Country Manager (or a BCI Strategic Partner operating on behalf of BCI) on the basis of the PU self-assessment, 2nd party credibility checks report, 3rd party verification visits (where carried out) and associated Corrective Actions. A single licence will be issued for all farmers in a compliant PU, reducing the administrative requirements for IPs, BCI and ginners.

The criteria to disqualify an entire Producer Unit are directly based on the Minimum Requirements and include the following:

Criteria 1: Systemic non-compliance observed on the Minimum Production Criteria

Definition of *systemic* and *incidental* non-compliance

<p><i>Incidental non-compliance</i> is defined as:</p> <ul style="list-style-type: none"> (i) non-compliance on the Minimum Production Criteria is observed as an isolated event, limited in temporal and spatial scale , and (ii) Producer Unit has provided sufficient evidence that the Internal Management System (IMS) should prevent such practices 	<p><i>Systemic non-compliance</i> is defined as:</p> <ul style="list-style-type: none"> (i) Corroborative evidence demonstrates that Minimum Production Criteria are not respected and (ii) Producer Unit cannot provide sufficient evidence that the Internal Management System (IMS) prevent such practices
<p>Consequences: The Producer Unit has 6 months to implement corrective actions in order to prevent the identified non-compliance from re-occurring in future. A follow-up external assessment will be conducted during the next season and focus on the identified non-compliance. If corrective actions have not been implemented, the Producer Unit loses it licence to sell Better Cotton.</p>	<p>Consequences: The Producer Unit loses its licence to sell Better Cotton immediately until a follow up external assessment provides sufficient evidence that Minimum Production Criteria are respected and sufficient controls and mechanisms are in place.</p>

Criteria 2: Quality of the Internal Management System

A Producer Unit can also be disqualified if the quality of the Internal Management System in place is not in line with the different Management Criteria indicated in the Better Cotton Performance Scale for smallholders and Medium Farms (see Appendices).

Category	Criteria for disqualification
Training of trainers	PU manager and field facilitators cannot demonstrate a sound understanding of the requirements of the Better Cotton Standard System. A BCI accredited trainer has not trained them.
PU Structure	Non-submission of necessary Information on PU farmers and staff one month after sowing.
Continuous Improvement plan	There is no continuous improvement plan available at PU level.
Workers	Workers (family or hired) have not been trained on the relevant aspects of Decent Work.
Data Management	PU does not have a transparent and clear record keeping /data management / information flow system for managing BCI records and data requirements Timely submission and quality of documents and information
Farmer Field Book	PU does not operate a system to ensure that farmers can maintain a Farmer Field Book and learn from it.
Review and Monitoring	PU does not have a system to assess the level of adoption of farmers and identify potential non-compliance. PU has not implemented corrective action based on the requirements of Corrective Action Plans provided by BCI.
Training Materials	PU is not able to demonstrate that appropriate training material is available to train farmers on the Better Cotton Production Principles and Criteria.
Training records	Training records should be readily available for all trainings conducted, which include at a minimum: a. training date and location b. trainers c. topics covered d. methodology e. documents used f. attendance record

Criteria 3: Reporting on Results Indicators

The Producer Unit is rejected if the PU manager does not report on the required Results Indicators 12 weeks after harvest. Revised submission dates may be agreed in advance between BCI and the PU, provided that the PU raises the issue of setting a revised deadline *at least 3 weeks prior* to the previously established deadline. Agreement on revising submission dates is at the discretion of the BCI Country Manager.

The duration of the licence is calculated automatically on the basis of the self-assessment on Improvement Requirements. During the licence period, the Producer Unit may receive follow-up external assessment visits when applicable (e.g. BCI check on the top 10% PU performers, or follow-up visit on identified non compliance) who reserves the right to remove the licence during that period if Minimum Requirements are no longer adhered to. BCI can also reduce the duration of the licence if credibility checks indicate a lower performance than indicated in the self-assessment.

Decision-making mechanisms for Producer Unit level licensing (smallholders/medium farms):

	Minimum Requirements	Improvement Requirements
Licence	Licence to grow Better Cotton (yes/no)	Duration of the licence (1,3,5 years)
Decision Making	BCI Country Manager or Strategic Partner	Automatic (based on scoring system) - BCI Country Manager or Strategic Partner can reduce the duration of the licence based on credibility checks
Basis for Decision	Self Assessment (based on Internal Management System), 2 nd party checks and 3 rd Party verification	Self Assessment PU are accountable for the performance they claim through transparent reporting BCI conducts credibility checks on highest performers

5.2 Large Farms licensing

The decision as to whether a large farm is growing and selling their cotton as Better Cotton is taken by the BCI verifiers on the basis of the large farm self-assessment and 3rd party verification visits (conducted on 100% of farms to be licensed during the season in the case of large farms).

The criteria to disqualify a large farm are directly based on the Minimum Requirements and include the following:

- Criteria 1. Non-compliance on any of the Minimum Production Criteria and Management Criteria
- Criteria 2. No reporting on results indicators
- Criteria 3. No self-assessment

The duration of the licence is calculated automatically on the basis of the questionnaire on Improvement Requirements and validated by the 3rd Party verifiers.

Decision-making mechanisms for Large Farm licensing:

	Minimum Requirements	Improvement Requirements
Licence	Licence to grow Better Cotton (yes/no)	Duration of the licence (1,3,5 years)
Decision Making	3 rd Party Verifier	Automatic (based on scoring system) - validated by 3 rd Party verifier
Basis for Decision	Self Assessment and 3 rd Party verification	Self Assessment and 3 rd Party verification

5.3 How to become a Better Cotton Farmer

Steps involved in becoming a Better Cotton Producer Unit (**smallholders** and **medium farms** licensing)

1. Take informed decision to participate in the Better Cotton Standard System and join a BCI endorsed Implementing Partner – receive training from a BCI accredited trainer

2. Establish and implement an Internal Management System (IMS) based on BCI requirements

3. Submit Self-assessment to BCI (at least 4 weeks before harvest starts) – on Minimum and Improvement Requirements

4. Receive external assessment by BCI, Implementing Partner and/or 3rd party verifiers

5. BCI Country Manager (or Strategic Partner operating on behalf of BCI) decide if Producer Unit grow Better Cotton (yes/no)

6. PU becomes a Better Cotton unit and receives licence for 1/3/5 years to sell Better Cotton – if not found compliant, submit new self-assessment next season

7. Submit results indicators data 12 weeks after harvest (to confirm licensing)

8. Submit annual self-assessment on Minimum Requirements to BCI to confirm compliance – Receive follow-up external assessment visits when applicable

9. Before expiration of the licence, submit self-assessment on Minimum and Improvement Requirements

10. Receive external assessment (2nd Party or 3rd Party) before the end of the licensing period

Steps involved in becoming a Better Cotton farmer (**Large farm** licensing)

1. Take informed decision to participate in the Better Cotton Standard System based on BCI documentation and register with BCI

2. Meet the Minimum Requirements (see Better Cotton Performance Scale for large farms)

3. Submit Self-assessment to BCI (at least 4 weeks before harvest starts) - declare compliance with all Minimum Requirements and submit questionnaire on improvement requirements

4. BCI secretariat contact BCI approved verifier in the region to arrange a visit (the cost of the verification is borne by the large farm)

5. Receive initial verification visit from 3rd Party verifiers

6. Verifiers decide if farmers grow Better Cotton (yes/no) and validate duration of the licence (calculated automatically from questionnaire)

7. Farmer becomes a Better Cotton farmer and receives licence for 1/3/5 years to sell Better Cotton – if not found compliant, submit new self-assessment next season

8. Submit results indicators data 12 weeks after harvest (to confirm licensing)

9. Submit annual self-assessment on Minimum Requirements to BCI to confirm compliance

10. Before expiration of the licence, submit self-assessment on Minimum and Improvement Requirements

11. Receive re-verification visit before the end of the licensing period

6. Appeal Process

If a decision has been made that a Production Unit or large farm does not qualify to sell Better Cotton, an appeal can be made either by a:

1. Producer Unit for a decision made by the BCI Country Manager or BCI Strategic Partner; or
2. Large farm for a decision made by the independent verifier.

How to establish an appeal

An appeal must be submitted to the BCI Secretariat, by email to farm_assessment_appeal@bettercotton.org within 2 days of being informed of the decision. The appeal must include the following information to be valid:

- » Name of the Producer Unit / Large farm
- » Location of the Producer Unit / Large farm
- » Grounds for appealing the decision made, including any relevant supporting documentation (records, self-assessment report, 2nd party checks reports, etc.)

Process

When an appeal is received, the BCI Secretariat, under the supervision of the Director of Standards and Assurance, shall:

- » Determine whether the appeal complies with the requirements to establish an appeal;
- » Decide whether the original decision will be reconsidered; and
- » Notify the appellant of the decision as to whether the original decision will be reconsidered as soon as practicable after the appeal is lodged.

Where the original decision is to be reconsidered, the process for reconsidering the original decision is determined by the BCI Director of Standards and Assurance. The BCI Director for Standards and Assurance will advise the appellant whether the appeal is successful or not within 2 weeks of receiving the appeal. The decision of the BCI Director for Standards and Assurance is final.

7. Final Note

This Assurance Program document and associated mechanisms are the result of a year long multi-stakeholder consultation process. It involved a Research and Recommend team comprising Producer Organisations, Civil Society organisations, retailers and brands, suppliers and manufacturers, advisory committee members, council members and external expert organisations. External consultation was then conducted with other sustainable initiatives, experienced BCI verifiers and various expert organisations. Experience to date has shown the Assurance Program to be applicable and workable in a wide variety of situations. At the same time, it is very likely that there are elements to be improved. A revision of this document is scheduled at the end of the Expansion Phase of BCI (2013-2015). However in the meantime, BCI is open to comments from stakeholders. Improvements to the Assurance Program may be made as soon as is practicable, feasible and desirable.