

# APPROVAL PROCEDURES FOR VERIFIERS

## APPLICABLE FROM 2014 HARVEST SEASON

This document presents the different procedures developed by the BCI for approving 3<sup>rd</sup> party verifiers: what are the core competencies required, the application/approval procedures in place or the complaint handling process for professional misconduct or negligence.

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## 1 Introduction

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.

To help achieve its mission, the BCI has developed the Better Cotton Standard System, the components of which are:

- » **Production Principles and Criteria:** providing a global definition of Better Cotton through 6 key principles.
- » **Capacity Building:** supporting and training farmers in growing Better Cotton, through working with experienced partners at field level.
- » **Assurance Program:** regular farm assessment and measurement of results through 8 consistent results indicators, encouraging farmers to continuously improve.
- » **Chain of Custody:** connecting supply and demand in the Better Cotton supply chain.
- » **Claims framework:** spreading the word about Better Cotton by communicating powerful data, information and stories from the field.
- » **Results and Impact:** monitoring and evaluation mechanisms to measure progress/change, to ensure that Better Cotton delivers the intended impact.

The Better Cotton Assurance Program 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. The purpose of the Assurance Program is to:

- » 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 (2<sup>nd</sup> Party checks and 3<sup>rd</sup> 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

One of the fundamental tools of the Assurance Program is self-assessment. The self-assessment process is different for each category of farm as they have different Minimum and Improvement Requirements. Self-assessment, combined with external assessment allows for a credible and cost effective Assurance Program.

External Assessment is carried out by a number of actors:

- » 2<sup>nd</sup> Party Credibility Checks by BCI Country Managers (or Strategic Partners operating on behalf of BCI in partnership countries)
- » 2<sup>nd</sup> Party Credibility Checks by Implementing Partners
- » 3<sup>rd</sup> 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 whether to issue a licence to sell Better Cotton (in the context of Producer Unit licensing)

The BCI 3<sup>rd</sup> party verification approach requires verifiers to demonstrate independence, impartiality, and a high degree of rigor and thoroughness in assessing compliance with the Better Cotton Production Principles and Criteria.

**This document describes the qualifications the BCI is looking for in 3<sup>rd</sup> party verifiers and provides guidance to the verifiers on the application/approval process, annual performance evaluation, and complaint handling process for professional misconduct or negligence.**

## 2 Core competencies of potential verifiers

The BCI is seeking qualified verifiers to apply for approval with the BCI. Prospective verifiers may apply for approval for one or more countries.

Any organisation, company, or individual seeking approval as an independent verifier should initially read and be familiar with the following BCI documents available at <http://www.bettercotton.org>

- » Better Cotton Production Principles and Criteria
- » Better Cotton Production Principles and Criteria Explained
- » Better Cotton Assurance Program (including Appendices)

At a minimum, applicants must demonstrate the following core competencies for each country for which they seek to gain and maintain approval:

### 2.1. Background Knowledge

- » **Knowledge of the standards** to be applied in the conduct of verification e.g. the Better Cotton Production Principles and Criteria and applicable laws and regulations in the country where the verification visits will take place.
- » **Knowledge of prevailing industry cotton farming and supply chain practices** and local workplace conditions.
- » **Knowledge of local social and cultural conditions** to be considered in the conduct of a verification visit, such as culturally appropriate interview methods.
- » **Linguistic skills** appropriate to each country or region to be monitored, as needed for each aspect of the Production Principles, e.g. the ability of verifiers conducting interviews of workers, community organisations, Learning Groups, Producer Units, or others to communicate well in the language of those they are interviewing.

### 2.2. Assessment and Verification

Verifiers should have a demonstrated ability to perform each of the following components of a BCI 3<sup>rd</sup> party verification visit:

#### 1/ Gathering Information from local knowledgeable sources

- » Experience in identifying and gathering information from knowledgeable local organisations/individuals, including human rights, labour, environment, cotton or other leading local institutions that are likely to have the trust of farmers and workers and knowledge of local conditions.
- » Ability to gather information on prevailing social and market conditions that directly affect compliance with the Better Cotton Production Principles and Criteria.
- » Ability to gather and report information in a way that does not compromise the independence of an organisation or its ability to conduct its work.
- » Ability to track and determine major trends in farming practices and working conditions.

## **2/ Interviewing farm workers**

- » Language fluency sufficient to ensure effective interviews with a cross-section of farm workers.
- » Ability to approach and engage workers in a non-threatening and effective manner.
- » Ability to interview workers in ways that enables the interviewer to pursue lines of inquiry, while allowing interview subjects to report their experiences.
- » Ability to conduct interviews under conditions that reassure workers that they can discuss sensitive issues.
- » Ability to gather and report information in a way that does not subject the workers being interviewed to any negative consequences as a result of the interview.

## **3/ Interviewing farmers**

- » Ability to communicate in the language of the farmers.
- » Commitment to approach and engage farm owners or other supervisory staff in a courteous, non-threatening manner.
- » Ability to maintain, where appropriate, the confidentiality of proprietary information.

## **4/ Visual Inspection of the farms**

- » Ability to conduct visual observation and surveillance in and around cotton farms and detect violations of provisions of the Better Cotton Production Principles and Criteria.
- » Ability to identify violations or potential violations of a kind that may not be apparent in routine observation, including practices of concealment or deception.
- » Ability to measure and assess environment and occupational health and safety standards as prescribed by the Better Cotton Production Principles and Criteria, and applicable law.

## **5/ Documentation review**

- » Sufficient language proficiency to understand all documents relevant to assessing compliance with the Better Cotton Production Principles and Criteria.
- » Ability to examine farmers, Learning Group, and Producer Unit records to determine the adequacy of record keeping and compliance with the law, relevant regulations, and the BCI requirements.
- » Capacity to perform basic operational and data analysis i.e. the ability to do necessary computations and to understand proper relations between business rules and legal requirements for pesticide usage, wage computation and reporting. This also includes the ability to interpret local labour law, and the ability to identify anomalies between the information recorded in relation to farming and supply chain practices and the situation as actually reviewed.
- » Ability to review proof of age documentation and worker contracts to assure compliance with minimum age and forced labour provisions of the Better Cotton Production Principles and Criteria.
- » Ability to identify violations or potential violations of records of a kind that may not be apparent in routine observation, including practices of concealment or deception.

## 6/ Analysis and Reporting

- » Ability to synthesise, cross check, and verify information gathered in the verification process from all relevant sources, including the ability to balance conflicting information and to make reasoned judgments about the validity of information received regardless of its source.
- » Ability to validate and augment verification activities to reach objective conclusions and bring all findings to a satisfactory level of closure.
- » Ability and commitment to conduct an impartial and objective evaluation of the information gathered to assess compliance with the Better Cotton Production Principles and Criteria.
- » Professional competence in reporting instances or situations of non-compliance to the BCI, including referencing the applicable law or Better Cotton requirements
- » Capacity to report findings in a timely fashion, in English, using the reporting document prescribed by the BCI.
- » Ability and commitment to maintain accountability for information gathered from the verification process.

## 3. Application procedures

The application procedure for prospective 3<sup>rd</sup> party verifiers seeking BCI approval is made of **4 different steps**:

- » Sending the verifier application form
- » Participate in an interview with BCI
- » If recommended after the interview, participate in the BCI training program for verifiers
- » Successfully pass the verifier examination at the end of the training program

### 3.1 Verifier application form

The first step for a prospective verifier is to submit the BCI verifier application form (see Annex I). Supporting documents (e.g. curriculum vitae, evidence of prior monitoring/verification work, evidence of approval/accreditation by other multi-stakeholder initiatives, etc.) must be provided together with the application form for review by BCI.

### 3.2 Interview

After submitting the written application, the applicant (or technical manager or equivalent of a verification organisation) will need to be available for interviews (phone or face-to-face) with BCI staff and/or a representative selected by the BCI Secretariat. The Better Cotton Production Principles and Criteria and BCI 3<sup>rd</sup> party verification methodology will be discussed in an oral interview with each applicant. The interviewers will be looking for evidence of the core competencies required of 3<sup>rd</sup> party verifiers described above. The interview is also an opportunity to assess which of the following attributes the potential verifiers possesses or not:

- » Ethical, i.e. fair, truthful, sincere, honest and discreet
- » Open-minded, i.e. willing to consider alternative ideas or point of view

- » Diplomatic, i.e. tactful in dealing with people
- » Collaborative, i.e. effectively interacts with others
- » Observant, i.e. actively aware of physical surroundings and activities
- » Perceptive, i.e. instinctively aware of and able to understand situations
- » Versatile, i.e. adjusts readily to different situations
- » Tenacious, i.e. persistent and focused on achieving objectives
- » Decisive, i.e. reaches timely conclusions based on logical reasoning and analysis
- » Self-reliant, i.e. acts and functions independently
- » Professional, i.e. exhibits a courteous, conscientious and generally business like demeanour in the work place
- » Morally courageous, i.e. willing to act responsibly and ethically even though these actions may not always be popular and may sometimes result in disagreement or confrontation
- » Organised, i.e. exhibits effective time management, prioritisation, planning and efficiency
- » Fluency in the local language for stakeholder interaction
- » Commitment to the social and environmental goals of the Better Cotton Initiative

The BCI may also approach other stakeholders knowledgeable about the verifiers for references.

### 3.3 BCI verifier training program

Individual verifiers or verification companies with the relevant competencies, personal attributes, and supportive references will be invited to participate in the BCI verifier training organised by the BCI secretariat.

The training program for verifiers is made of 2 components:

- » **A distance learning program.** Different learning modules will be sent to the verifiers by BCI in advance of the training. Modules include general information about BCI, the key sustainability issues in cotton, the Production Principles and Criteria, the Assurance Program (depending on the category of farms), Results Indicators, supply chain and the different components of a verification visit. As part of the distance learning program, a self-assessment will need to be completed by the verifiers and sent to BCI – Completing the self-assessment is a prerequisite for verifiers before participating in the training workshop
- » **A training workshop** (in person or online training). Individual verifiers or verification body then participate in the training program delivered by BCI (at their own cost in the case of in person training). In the case of verification company, the technical manager and lead verifier at a minimum must attend the training.

### 3.4 Verifier examination

At the end of the training workshop, an examination will be conducted in order to demonstrate knowledge and understanding of verification of the Better Cotton Production Principles and Criteria. A minimum score must be obtained to satisfactorily complete the training program.

## 4. Approval

Individual verifiers or verification companies who have successfully completed the application process, attended the training, and passed the training examination will be eligible to conduct 3<sup>rd</sup> party verification visits on the Better Cotton Production Principles and Criteria.

A certificate of approval will be provided by BCI to the verifier. The approval will be granted for a period of **3 years** (with the verifier being subject to review during that period).

In the case of verification companies, the BCI staff will also need to conduct a review of the applicant's program to train personnel involved in the verification. The staff will pay particular attention to the training material used, the qualifications of the trainers, the length of the training, and the frequency with which training is conducted. If the training program is not deemed satisfactory, BCI can require that only individuals trained by BCI conduct verification on behalf of the verification company.

The list of approved verifiers (including logo, name, contact information) will be posted on the BCI website, noting the relevant country or region in which the verifier is approved to conduct 3<sup>rd</sup> party verification visits. Approved verifiers may then be contracted by the BCI Secretariat, BCI country offices, BCI Strategic Partners, or by eligible cotton-producing farms<sup>1</sup> directly.

## 5. Review and re-approval

### 5.1 Review

Verifiers will be considered for re-approval at a maximum every 3 years. In order to evaluate whether or not to consider verifiers for re-approval, on an on-going basis, BCI staff (or strategic partner operating on behalf of BCI) will shadow verifiers (consistent with budget and staff resources) using the BCI shadow verification visit report.

New verifiers need to be shadow verified at least once by the BCI.

A shadow verification is a visit conducted by the verifier in the presence of a BCI staff observing how the different components of a 3<sup>rd</sup> party verification visit is performed by the verifier (conducting interviews with farmers, workers, documentation review, interview with management, or visual inspection of the farm).

Written feedback will be provided to the verifier by BCI after each shadow verification visit and a corrective action plan will be required in response. BCI staff may shadow a verifier as often as necessary to ensure implementation of the corrective action plan. Staff may also request documentation from verifiers that the corrective action plan has been fulfilled.

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<sup>1</sup> BCI (and its Strategic Partners in select countries) cover the cost of 3<sup>rd</sup> party verification for smallholder farms (up to 20 hectares) and medium farms (21 to 200 hectares). Large farms producing cotton on more than 200 hectares are responsible to pay for 3<sup>rd</sup> party verification themselves (in some limited cases this is covered by BCI's Strategic Partners for large farms).



At the end of each calendar year, the BCI will review each approved verifier and make an internal recommendation to the Director of Standards and Assurance for one of the following actions:

- » Continue relationship with the verifier and shadow depending on resources and need
- » Continue relationship with the verifier and prioritise shadowing
- » Place the verifier on probation and do not assign any further verification visits until a corrective action plan has been implemented
- » End formal relationship and remove the verifier from the website

Verifiers may be placed on probation or have their relationship terminated prior to the end of the approval validity based upon one or more of the following criteria:

- » Persistent poor quality of verification reports
- » Poor quality of verification in practice as assessed by BCI during shadow visits
- » Lack of responsiveness and commitment to BCI feedback and processes
- » Turnover and/or relocation of staff
- » Status of business relationship with the BCI
- » Status of contractual relationship with the BCI

Wherever BCI recommends declining re-approval or recommending probation or termination of the relationship based upon the above criteria, a formal communication shall be sent by the Director of Standards and Assurance to the verifier informing the organisation of the decision and the reason, allowing for an opportunity to respond. Where the BCI terminates the relationship with a verifier, the verifier's name shall be removed from the BCI website. The BCI CEO shall resolve disputes.

## **5.2 Re-approval**

At the end of their approval period (3 years), verifiers need to apply for re-approval. When applying, the verifiers shall: (i) disclose to the BCI any material change since the original application that may affect their independence or qualifications under the criteria; (ii) attend a refresher training program and an examination as deemed appropriate by the BCI Director of Standards and Assurance.

## **6. Handling complaints of professional misconduct or negligence**

3<sup>rd</sup> party verifiers shall be accountable to the BCI for professional misconduct or gross negligence in the conduct of its verification visit or the preparation or content of its verification reports. If a complaint concerning the professional misconduct or negligence of an approved verifier is submitted to the BCI, the Director of Standards and Assurance shall assess the reliability and severity of the complaint and inform the verifier of the contents of such complaint. In the event that the Director of Standards and Assurance determines that the verifier has committed such alleged misconduct or negligence, appropriate sanction will be enforced (restrict, suspend, and/or remove all or part of the approval).

Upon receipt of a complaint concerning professional misconduct or negligence on the part of an approved verifier, whether in the conduct of a verification visit or in some other investigation on behalf of the BCI, the Director of Standards and Assurance will:

1. Respond to complainant informing them of the handling process, next steps and reporting.
2. Review the complaint alleging misconduct or negligence to determine its pertinence and inform the approved verifier about the allegation, allowing an opportunity for the approved verifier to respond.
3. Assess the reliability of the complaint on the basis of information provided by the complainant, the response from the approved verifier, and any other information gathered by the BCI staff. As appropriate, the BCI may engage an independent expert or another approved verifier to gather pertinent information.
4. Assess the severity of the allegations of misconduct or negligence inter alia with respect to (a) the findings of the verification event; (b) the relationships of the BCI with stakeholders; and (c) the credibility of the BCI process.
5. Take appropriate steps and enforce sanctions to address the misconduct or negligence. Such sanction might include, but is not limited to, restriction, suspension, and/or removal of all or part of the approval of such approved verifier.
6. (a) Inform the approved verifier and the complainant about the decision; (b) follow up on any corrective action plan that may be put in place; (c) adjust the list of approved verifiers on the BCI website as appropriate; and (d) as appropriate, publish the summary report on the BCI website.