

THE BETTER COTTON ASSURANCE PROGRAMME

APPLICABLE FROM 2018-19 SEASON

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This document presents an overview of the Better Cotton Assurance Programme, including the roles and responsibilities of different stakeholders in assurance, key assurance mechanisms, and the licensing process. The Assurance Programme is applicable to the Better Cotton Principles and Criteria.

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Introduction

The Better Cotton Assurance Programme 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 production. The Assurance Programme provides a framework for farmers to participate in a continuous cycle of learning and improvement and is the central mechanism for assessing Producer¹ compliance with the Minimum Requirements for licensing.

To fully understand Better Cotton Assurance Programme, it is important to first understand the broader ambitions of the Better Cotton Standard System and recognise how assurance contributes to their achievement. BCI was formed by stakeholders from across the cotton sector with a specific intention: to offer an inclusive, efficient approach to more sustainable cotton production through continuous improvement, with the potential to reach a large number of farmers globally and enable transformational change. The fundamental goal is to maximise impact through scale, creating a mainstream solution to the cotton sector's enduring sustainability challenges. Therefore, from its inception, the Better Cotton Standard System has differed from traditional certification systems, moving beyond compliance and emphasising capacity-building and continuous improvement.

What characterises BCI's approach as a standard system?

- **Capacity Building focus:** BCI emphasises upfront investment in capacity building, working through local partners to ensure farmers are supported to continuously improve. This means farmers benefit from ongoing training regardless of baseline performance level or their compliance status.
- **Accessibility for smallholders:** 99.4% of cotton farmers participating in the Better Cotton Standard System are smallholders (as of the 2016-17 season). BCI was designed from the onset to enable smallholder farmers to participate in the programme and to benefit from learning and capacity building opportunities. The BCI model has been designed to be cost-neutral for smallholder farmers, and organises these farmers into 'Producer Units' with a designated Producer Unit Manager and staff of Field Facilitators who work directly with farmers.
- **Systematic results monitoring:** BCI monitors overall progress in sustainability improvements through systematic measurement of Results Indicators on BCI farms. This annual data helps BCI and its stakeholders understand the effectiveness of the Better Cotton Standard System in achieving its expected environmental, economic, and social outcomes.
- **Driving transformation through brand and retailer sourcing commitments:** Unlike many certification schemes, BCI's market demand is driven primarily by the sustainable sourcing strategies of brand and retailer members, rather than by consumer-facing product claims. BCI does not certify or label specific products as containing 'Better Cotton.' Instead, BCI uses a mass balance supply chain model to ensure that retailer and brand sourcing commitments are connected to greater production of Better Cotton at farm level, and support continuous improvement of BCI farmers.

¹ In the BCI system, a 'Producer' refers to either an individual Large Farm, or a Producer Unit (organized group) of small or medium farms. In the BCI system, compliance with the Better Cotton Principles and Criteria is assessed at Producer level, and licensing to sell Better Cotton is also determined at Producer level.

- **National embedding strategy:** BCI's long term vision is that Better Cotton production becomes embedded in national cotton governance structures. BCI is working with strategic national and regional partners, either governmental institutions or industry or producer associations, to build their capacity to take full ownership of Better Cotton implementation, eventually operating independently of BCI.

BCI's unique ambition and desired scale, impact, and operational efficiency inevitably require an innovative approach to assurance. BCI has therefore designed an Assurance Programme that encourages, supports, and monitors continuous improvement, while balancing cost-accessibility and credibility.

How does BCI's Assurance Programme differ from more traditional models?

- Emphasises continuous improvement through a defined set of core and improvement indicators and ongoing farmer training.
- Utilises multiple types and layers of internal and external assessment, engaging diverse stakeholders in the assessment process rather than only relying on 3rd party auditing.
- It is cost neutral for small and medium farms – this makes the BCI model accessible for millions of smallholder cotton farmers worldwide.
- Seeks to leverage the diverse benefits that each type of assessment offers by combining them through a partly risk based and partly random standardised sampling approach.
- Fully integrates Results Indicators reporting as a Minimum Requirement to ensure sustainability improvements are measured and learned from.

These features ensure the Assurance Programme safeguards the credibility of Better Cotton and BCI while also supporting the achievement of BCI's organisational objectives. The details of the Programme are explained in the following sections.

1. Producers under the BCI Assurance Programme

Under the Better Cotton Standard System, farms are differentiated into three categories (smallholders, medium farms and large farms) in recognition of differences in the production methods and workforces they use. Smallholders and medium farms are grouped into Producer Units (PUs) and are licensed to sell Better Cotton at the PU level.

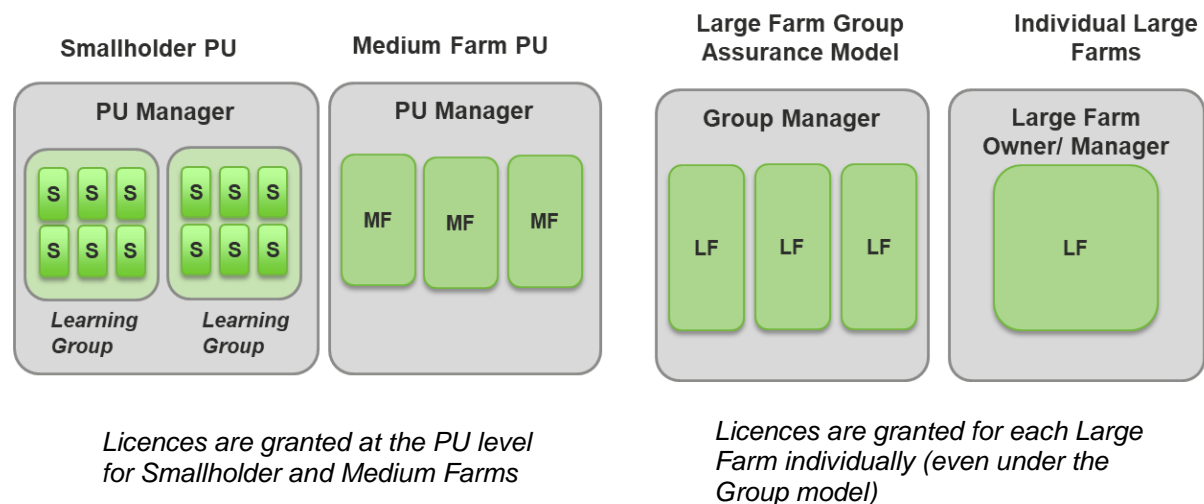
The size of a PU will depend on local circumstances, although the optimal size is between 3,500 to 4,000 farmers for Smallholders (with a maximum of 100 Learning Groups). In the case of Medium Farms, the optimal size is 100 farmers per Producer Unit. Smallholder farms are further divided into Learning Groups of approximately 35 farmers (with a Lead Farmer in each Learning Group) to facilitate organisation and learning.

Some Large Farms participate with BCI on an individual basis, while others are engaged through a Large Farm Group Assurance model.² Under the Group Assurance model, farms join together with other local growers under the guidance of a designated Group Manager. In both cases, Large Farms are licensed to sell Better Cotton on an individual farm basis.

The term 'Producer' in the context of the Better Cotton Standard System therefore refers to either an individual Large Farm or a Producer Unit of Smallholders or Medium Farms.

² This model was introduced formally in 2018 and is currently applicable only in the United States, although may be expanded to other regions in the future.

Figure 1: Producers under the Better Cotton Standard System



To receive a licence to sell Better Cotton, Producers must first fulfil the Licensing Requirements, consisting of compliance with the Core Indicators of the Better Cotton Principles and Criteria, and 'Reporting on Results' Indicators. These requirements ensure that licensed Producers meet clear minimum standards for pesticide use, soil and water management, decent work, record keeping, training, and other areas. They also ensure that Producers collect farm-level data to support continuous improvement and evidence-based learning.

Achieving the Licensing Requirements is just the first stage of participation in the BCI programme. Producers are expected to commit to continuous improvement in sustainability, and to make progress in fulfilling additional Improvement Indicators. Producers who perform strongly on the Improvement Indicators are rewarded through extended licence periods: the better the performance, the longer the licence.

The Better Cotton Assurance Programme balances credibility with cost-effectiveness through using a combination of different internal and external assurance mechanisms. These include Self-Assessment at Producer level, 2nd Party Credibility Checks (2PCC) by BCI and/or Partners, and 3rd Party Verification (3PV) by independent verifiers. The corroboration of these assessments and the analysis of any discrepancies determines the licensing decision.

2. Purpose of the Better Cotton Assurance Programme

The Better Cotton Assurance Programme is designed to:

- Assess whether Producers have reached a set of Licensing Requirements and can therefore receive a licence to sell Better Cotton;
- Enable learning and continuous improvement by monitoring progress against Core and Improvement Indicators, and identifying improvement opportunities;
- Provide an incentive for Producers to continuously improve their level of performance against Better Cotton Principles and Criteria;
- Measure sustainability performance and improvements through the collection of the Better Cotton Results Indicators.

3. Stakeholders in the Better Cotton Assurance Programme

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

3.1 Roles and Responsibilities of Stakeholders in Assurance

Roles	Responsibilities
FARMER	
<p>In recognition of the differences in production methods and workforce among cotton farmers, and differences in capacity to improve cotton production practices, farmers are categorised as follows:</p> <ul style="list-style-type: none"> ➤ Smallholders: Farmers who are not structurally dependent on permanent hired labour, and whose farm size does not exceed 20ha of cotton. Self-Assessment and licensing is done at Producer Unit level (through an Internal Management System). ➤ Medium Farms: Farmers who are structurally dependent on permanent hired labour, and whose farm size is between 20 to 200ha of cotton. Self-Assessment and licensing is done at Producer Unit level (through an Internal Management System). ➤ Large Farms: Farmers who are structurally dependent on permanent hired labour, and whose farm size is above 200ha of cotton. Self-Assessment and licensing are done at individual level. 	<ul style="list-style-type: none"> ➤ Apply learning from trainings and carry out activities to increase the sustainability of farming practices ➤ Maintain a Farmer Field Book ➤ Participate in the Self-Assessment process in the case of Large Farms.
LEARNING GROUP (LG) for smallholders only	
<p>Smallholders are organised into Learning Groups to provide an environment for farmers to meet, learn about more sustainable practices, and discuss progress and challenges. Learning Groups also provide a means to teach farmers how to use and learn from Farmer Field Books, enabling Field Facilitators to collect Results Indicator data.</p>	<ul style="list-style-type: none"> ➤ Participate in training on more sustainable farming practices, to support the achievement of the Minimum Requirements and Improvement Indicators. ➤ Lead farmers to take the initiative in supporting other farmers to keep records and adopt the practices promoted in the training programme.

Roles	Responsibilities
<p>A lead farmer is identified for each Learning Group 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>	
FIELD FACILITATOR (FF)	
<p>Field Facilitators play an important role in enabling Learning Groups and Medium Farms to continuously improve by providing ongoing support during the season.</p> <p>Field Facilitators are selected, trained, and typically paid by Implementing Partners. The role requires appropriate facilitation skills to effectively train farmers and promote the uptake of sustainable practices. An optimal ratio is a maximum of 10 Learning Groups per Facilitator (350 farmers) in the context of smallholders, though this number largely depends on existing local realities.</p> <p>The number of Field Facilitators per LG/ PU expected to go down as the Producer Unit becomes more experienced. Field Facilitators build the capacity of farmers through training and support.</p>	<ul style="list-style-type: none"> ➤ Participate in training as required by the Implementing Partner and/or BCI. ➤ Categorise farmers into their appropriate category and form Learning Groups in the case of smallholders. ➤ Train farmers on more sustainable farming practices, to support the achievement of the Better Cotton Principles and Criteria. ➤ Monitor progress on the Minimum Requirements and Improvement Indicators. ➤ Support communication between farmers. ➤ Facilitate the 2nd Party Credibility Check and 3rd Party Verification process with smallholders and medium farms. ➤ Facilitate the collection of data from smallholders and medium farms.
GROUP MANAGER (applicable only to the Large Farm Group Assurance Model)	
<p>Group Managers work with groups of local growers under the Large Farm Group Assurance Model. Group Managers are responsible for engaging with farmers, coordinating their participation in the BCI programme, facilitating access to training and continuous improvement, as well as supporting implementation of the BCI Assurance Programme.</p>	<ul style="list-style-type: none"> ➤ Train farmers on the Better Cotton Standard System. ➤ Carry out 2nd Party Credibility Checks (2PCC) on a sample of farms within the group. ➤ Coordinate 3rd Party Verification visits for a sample of farms in the group. ➤ Support farmers with the collection of seasonal data and Results Indicator Reporting data. ➤ Support farmers in Continuous Improvement Planning and implementation.

Roles	Responsibilities
PU MANAGER	
<p>Learning Groups or medium farms are classed together to 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. PU Managers undergo initial training by BCI, with additional training and capacity building delivered through the Implementing Partner. They need to fully master the Better Cotton Principles and Criteria and the requirements of the Better Cotton Assurance Programme.</p> <p>The size of a PU will depend on local circumstances though the optimal size is between 3,500 to 4,000 farmers for smallholders with a maximum of 100 LGs. In the case of medium farms, the optimal size is 100 farmers per Producer Unit.</p> <p>Different categories of Producers are not mixed in the same Producer Unit.</p>	<ul style="list-style-type: none"> ➤ Participate in training as required by BCI and the IP. ➤ Coordinate the Internal Management System. ➤ Conduct internal assessment on a sample of farmers in the unit to inform the Self-Assessment process. ➤ Complete annual Self-Assessment questionnaire on Core and Improvement Indicators. ➤ Develop Continuous Improvement Plan, and ensure it is implemented and reviewed regularly. ➤ Operate a system to collect, compile and report accurate data from farmer to Producer Unit (and to BCI); including data for comparison farmers. ➤ 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 farmers (with support from Implementing Partner). ➤ Accommodate any 2nd Party Credibility Checks or 3rd Party Verifications carried out by participating in interviews and supporting the documentation review ➤ Prepare a Corrective Action Plan (CAP) following an external assessment if any non-conformities are identified.
IMPLEMENTING PARTNER (IP)	
<p>Implementing Partners (IPs) are organisations interested in working with farmers to achieve more sustainable farm practices. They are linked to BCI through a specific contract—the 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.</p>	<ul style="list-style-type: none"> ➤ Support Producer Units and Producer Unit Managers in conducting their activities. Support is particularly required for the development of the Corrective Action Plan (CAP) and Continuous Improvement Plan (CIP). ➤ The IP is responsible for ongoing training and capacity-building to ensure PU

Roles	Responsibilities
<p>There is no restriction on who can be a BCI Implementing Partner (IP), although all IPs must first be members of BCI. IPs can include producer organisations, supply chain companies, NGOs, and government institutions, among others.</p> <p>BCI selects and monitors IPs through a consistent and stringent endorsement and monitoring process shared transparently with partners.</p>	<p>Managers have the knowledge and skills required to manage the PU successfully.</p> <ul style="list-style-type: none"> ➤ Carry out 2nd Party Credibility Checks on PUs. 2PCCs must be conducted by an IP staff member senior to the PU Manager (PU Managers are not eligible to conduct 2PCC). ➤ Share best practices with BCI.
BCI SECRETARIAT: ASSURANCE MANAGERS	
<p>BCI Assurance Managers are responsible for the planning, execution and reporting of the Better Cotton Assurance Programme in all countries. They lead the BCI Global Assurance Team, consisting of Programme Officers and Coordinators within country teams. They oversee the delivery of assurance activities, including 2nd Party Credibility Checks and 3rd Party Verifications. They are accountable for all compliance and licensing decisions.</p>	<ul style="list-style-type: none"> ➤ Work with Programme Officers / Coordinators to ensure consistent implementation of the Assurance Programme in all countries. ➤ Confirm licensing decisions for Producer Units and issue licences. ➤ Confirm licensing decisions for Large Farms based on 3rd party verifier recommendation, and issue licences. ➤ Approve licence cancellations. ➤ Coordinate the work of the Appeals Committee to make decisions on licensing appeals. ➤ Support regional 3rd party verifier approval process and capacity. ➤ Develop system improvements.
BCI SECRETARIAT: PROGRAMME OFFICER / COORDINATOR³	
<p>Programme Officers / Coordinators operate at the country level and are accountable to the BCI Assurance Manager for the implementation of Assurance Programme activities and protocols. They conduct 2nd Party Credibility Checks on Producers and support BCI Assurance Managers on licensing recommendations.</p>	<ul style="list-style-type: none"> ➤ Conduct risk-based analysis on all PUs eligible for licensing. ➤ Conduct 2nd Party Credibility Checks on Producers, in line with sampling requirements. ➤ Coordinate the distribution of Self-Assessments and review completed Self-Assessments. ➤ Contract and coordinate with approved 3rd party verifiers. ➤ Support 3rd Party Verification process (and conduct shadow verification of verifiers where applicable).

³ In countries where BCI operates through a strategic partner, Programme Officers / Coordinators are employed by the strategic partner.

Roles	Responsibilities
	<ul style="list-style-type: none"> ➤ Prepare Non-Conformity Report and Improvement Recommendations for Producer Units based on External Assessment (2nd Party Credibility Check or 3rd Party Verification). ➤ Make licensing recommendations for Producer Units. ➤ Carry out follow-up checks to ensure closure of Incidental non-conformities within specified timeframes. ➤ Collect and collate Results Indicator data from each Producer.
3rd PARTY VERIFIER	
<p>3rd Party Verification is a critical component of the Assurance Programme. 3rd party verifiers are independent parties approved by BCI to carry out verification activities in specific countries.</p>	<ul style="list-style-type: none"> ➤ Complete BCI's Approval Process for verifiers. ➤ Participate in any required refresher training and calibration activities. ➤ Implement improvements based on annual evaluations. ➤ Conduct 3rd Party Verification visits and prepare verification reports. ➤ Make a recommendation on licensing and licence duration in the case of Large Farms (to be approved by BCI Assurance Managers).
BCI COUNCIL	
<p>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.</p>	<ul style="list-style-type: none"> ➤ Approve substantive changes made to the Better Cotton Assurance Programme. ➤ 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). ➤ Monitor the implementation of recommendations made by the oversight body.

4. Licensing Requirements

To earn a licence to sell Better Cotton, Producers must fulfil the following requirements:

1. Compliance with Core Indicators of the Principles and Criteria
2. Reporting on Results Indicators

The fixed nature of the Licensing Requirements ensures that all licensed Producers reach a globally-consistent baseline in sustainable cotton production and enables BCI to monitor and learn from field-level results through annually reported data.

4.1 Better Cotton Principles and Criteria- Core Indicators

The Better Cotton Principles and Criteria include 7 Principles covering the most significant global sustainability issues associated with cotton production:

- Principle 1: BCI Farmers minimise the harmful impact of crop protection practices
- Principle 2: BCI Farmers promote water stewardship
- Principle 3: BCI Farmers care for the health of soil
- Principle 4: BCI Farmers enhance biodiversity and use land responsibly
- Principle 5: BCI Farmers care for and preserve the quality of fibre
- Principle 6: BCI Farmers promote decent work
- Principle 7: BCI Farmers operate an effective management system

The 7 Better Cotton Principles are further defined through 42 criteria and a subset of 164 indicators. While the criteria are applicable to all Producer categories, the indicators are differentiated for smallholders, medium farms, and large farms, and designated as either Core or Improvement

- **Core Indicators** – Producers must meet all Core Indicators (applicable for their Producer category) to be licensed to sell Better Cotton.
- **Improvement Indicators** - Producers do not need to comply with Improvement Indicators to be licensed to sell Better Cotton. Improvement Indicators are designed to incentivize and measure continuous improvement across all areas of sustainable production.

The Core Indicators provide the critical first steps in reducing the environmental impact of cotton and improving livelihoods among cotton farming communities. The Core Indicators go beyond cotton production practices by also integrating management activities. All indicators under Principle 7- Management are designated as Core, reflecting BCI's emphasis on effective management as fundamental to the achievement of the production based requirements. Management indicators ensure that Producers undergo ongoing training, that noncompliance risks are identified and remediated, that progress against production criteria is monitored and assessed, and that field-level data is accurately maintained and systematically reported. The management indicators also play a vital role in safeguarding the credibility of group-level licensing used for PUs, and Large Farms operating under the Group Assurance Model.

4.2 Reporting on Results Indicators

In addition to complying with the Core Indicators from the BCI Principles and Criteria, all Producers must report farm-level data on inputs, outputs and practices, as specified in the BCI document [Working with Results Indicators](#).

Reporting on Results Indicators is fully integrated into the Assurance Programme as a Minimum Requirement for compliance with the Principles and Criteria. The reporting is required to ensure that sustainability improvements are measured everywhere BCI projects are implemented. It is important to emphasize that this requirement focuses on the reporting of data, not the content of that data. The content of Results Indicator data and any trends/ impacts revealed are used for learning processes only and are not a basis for disqualifying Producers or cancelling licences. Results Indicator data must be collected and reported every season. Reporting is done at Producer Unit level in the case of smallholders or at individual level in the case of medium and large farms.

4.2.1 Overview of Results Indicator Reporting

Farmer Category	Indicators be reported	Sampling approach	Comparison data
Smallholders/ Medium Farms	<ol style="list-style-type: none"> 1. Pesticide use 2. Fertiliser use 3. Water use 4. Yield 5. Profitability 6. Eliminating child labour through partnerships 7. Improving understanding and awareness of child labour issues 8. Inclusion of women farmers and workers in training 	<p><u>Smallholders:</u> Representative sampling based approach at Producer Unit level</p> <p><u>Medium farms:</u> 100% - data collected from all farms</p>	Yes
Large farms	<ol style="list-style-type: none"> 1. Pesticide use 2. Fertiliser use 3. Water use 4. Yield 	100% - data collected from all farms	No

5. Promoting Continuous Improvement

BCI requires all Producers to commit to making ongoing improvements in production practices and management policies, with the aim of leading to better sustainability outcomes over time. The Better Cotton Principles and Criteria and the Better Cotton Assurance Programme are designed to work together in supporting Producers to adopt a continuous improvement approach. As part of the Core Indicators on Management required for licensing, all Producers must have a Continuous Improvement Plan (CIP) in place. This ensures that from the outset of participation, Producers engage in a planning process to define improvement goals, prioritise interventions, implement improvement actions, and monitor and review progress at field level.

By distinguishing ‘Core Indicators’ from ‘Improvement Indicators’ the Better Cotton Principles and Criteria are structured to support Producers in understanding their level of performance and

identifying the greatest areas for improvement. Empowering the Producers to tailor the CIP to their performance level allows for a continuous improvement approach relevant to field-level realities and resources.

To support the continuous improvement process and incentivise progress, the Better Cotton Assurance Programme utilises Self-Assessment to measure Producers' performance on Improvement Indicators, and rewards high performing Producers through an extended licence period (see section 6.1 for details). The Self-Assessment process also enables BCI to provide feedback to Producers on their performance on Improvement Indicators as compared to peers who are in the same farmer category and country and working with the same partner organisation. This allows Producers to identify weak areas and develop or refine their CIP goals, while also enabling them to learn from existing good practices.

6. Assurance Mechanisms

As noted previously, the BCI Assurance Programme combines multiple internal and external assurance mechanisms to balance credibility and cost-accessibility.

Internal Assurance (i.e. carried out by the PU or farmer):

- Internal assessment (relevant for PUs only)
- Self-Assessment

External Assurance:

- 2nd Party Credibility Checks (2PCC) by BCI staff⁴
- 2nd Party Credibility Checks (2PCC) by Implementing Partners
- 3rd Party Verification (3PV) by independent verifiers

Self-Assessment covers all Core and Improvement Indicators applicable to each farmer category. For PUs, 2PCCs by Implementing Partners and 3PVs check compliance with Core Indicators only, while BCI 2PCCs check both Core and Improvement Indicators.

For Large Farms, 3PV visits cover both Core and Improvement Indicators. For Large Farms under the Group Assurance model, BCI 2PCCs check both Core and Improvement Indicators, while IP 2PCCs focus only on Compliance with Core Indicators.

⁴ Those can also be conducted by Strategic Partners.

Overview of Assurance Mechanisms by Producer Category

Assurance mechanism	Producer Category			
	Smallholder PU	Medium Farm PU	Individual Large Farm	Large Farm (Group Assurance)
Internal Assessment	100% of PUs annually <i>(covering 10% of Learning Groups under each PU)</i>	100% of PUs annually <i>(covering 10% of farmers within each PU)</i>	N/A	N/A
Self-Assessment	100% of PUs annually (at PU level)		100% of LFs annually (at farm level)	
BCI 2PCC	Sample of PUs due for licensing: <ul style="list-style-type: none"> ➤ Risk-based sample: <ul style="list-style-type: none"> ○ 10% of Low Risk PUs at random ○ 25% of Average Risk PUs at random ○ 50% of High Risk PUs: all PUs with systemic non-conformity the previous season⁵ not included in 3PV sample are automatically selected, while the balance is randomly selected among High Risk PUs. ○ At a minimum one PU per project is checked ➤ Balance of the 10% highest performers on Self-Assessment that were not selected in the risk-based 2PCC sample 		N/A	10% of LFs in the group (annually)
IP 2PCC	Sample of PUs due for licensing: <ul style="list-style-type: none"> ➤ 50% of PUs working under each IP, selected at random 		N/A	30% of LFs in the group (annually)
3PV	Sample of PUs due for licensing: <ul style="list-style-type: none"> ➤ Square root of the number of PUs at country level, of which 50% are at random and 50% are selected by BCI 		100% LFs due for licensing	8.3% of LFs in the group (annually)

⁵ Referred to as High Risk – Mandatory PUs.

6.1 Self-Assessment

Self-Assessment is one of the fundamental tools of the Better Cotton Assurance Programme. The annual submission of Self-Assessment is a pre-requisite for Producers to be licensed or retain their licence to sell Better Cotton. Self-Assessment gives PU/LF Managers an active role to play in assurance, requiring them to take primary responsibility for monitoring and reporting on performance. The Self-Assessment process includes the following components:

- PUs: conduct internal assessment on Learning Groups and farms throughout the season, as part of the Internal Management System
- LFs: Monitor performance and ensure consistent operations throughout the season
- PUs/LFs: complete the online Self-Assessment survey and submit it to BCI 4 weeks before the beginning of harvest

Farmer Category	Self-Assessment issued at	Frequency
Smallholders/ Medium Farms	Producer Unit level (based on Internal Management System)	Annually
Large Farms	Individual level	Annually

The online Self-Assessment survey covers all Core and Improvement Indicators relevant for each Producer category. It automatically generates an indication of compliance or noncompliance with the Core Indicators, which feeds into the decision-making process for licensing (Section 7). The Self-Assessment survey also utilises an embedded scoring system on the Improvement Indicators to determine the Producer's performance band:

Performance Level on Improvement Indicators	Description	Licence Duration
Pass	Producers who have met the Minimum Requirements and are at an early stage of improvement	1 year
Advanced	Producers who have demonstrated significant progress on improvement indicators	3 years
Masters	Producers who are working at an advanced level and who have achieved the majority of improvement indicators	5 years

The performance band reported in Self-Assessment is cross-checked through the sample-based External Assessment (Section 6.2). High performing Producers are rewarded reduced frequency of External Assessment and an extended licence period– the better the performance, the longer the licence.

If the PU/LF Manager does not submit the Self-Assessment survey by the required date, the Producer is not eligible for licensing and an active licence will be cancelled for that year. An extension request process is available to account for extenuating circumstances.

6.1.1 Internal Management System (Producer Units)

As described previously, smallholders and medium farms participating in the BCI system are organized into Producer Units (PUs). Assurance mechanisms and licensing decisions are applied at the level of the PU, which requires each PU to have in place an effective Internal Management System to monitor all participating farmers, assess their compliance with the Core Indicators and ensure they receive capacity building to drive continuous improvement.

The PU Manager is responsible for setting up and operating the Internal Management System and to conduct ongoing internal monitoring to gauge whether Learning Groups and individual farmers within the PU are performing consistently. This system provides PU Managers with a clear basis for reporting on the overall performance of the PU. The specific requirements of the Internal Management System for Producer Units are identified through the Core Indicators of Principle 7 (Management). A summary of the actions required by PU Managers, Field Facilitators, and farmers to fulfil the Internal Management System is presented below:

PU Manager

- Participate in training delivered by BCI and attend any subsequent refresher training (as required by BCI)
- Train and build the capacity of Field Facilitators
- Develop a continuous improvement plan and review progress on annual basis
- Develop a protocol to identify workers on the farm and train them on all relevant aspects of Decent Work
- Set up and operate a data management system
- Identify and address issues/risks associated with implementation/ potential nonconformities
- Plan/ enforce implementation of corrective actions resulting from monitoring activities
- Conduct annual Internal assessment on 10% of the Learning Group (for smallholders) or 10% of medium farms
- Ensure that training materials are available for facilitators and farmers to cover all the Principles and Criteria
- Cooperate with Implementing Partners, BCI or verifiers during External Assessment
- Provide feedback to farmers

Field Facilitators

- Participate in training delivered by BCI and/or the partner organisation
- 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 Principles and Criteria 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 Groups (for smallholders only)
- Provide training to farmers on the Better Cotton Principles and Criteria during the cotton growing season
- 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

- Participate in training throughout the season
- Fill in the Farmer Field Book with support from facilitators
- Carry out activities to meet the practices promoted in training
- Participate in review of progress with facilitators

6.2 External Assurance

The general objectives of 2nd Party Credibility Checks and 3rd Party Verification visits are to:

- Check in situ the status of farmers/Producer Unit against the Core and Improvement Indicators
- 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-conformity (in the context of Producer Unit licensing)
- Validate the performance band reported in the Self-Assessment survey
- Enable corrective action to take place
- Provide the BCI Assurance 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 visit 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

During External Assessment for Smallholder PUs, a minimum of 3 Learning Groups are visited and 5 farmers per Learning Group receive additional farm visits. For Medium Farm PUs, a minimum of 3 farmers are visited. Additional farmers can always be visited at the assessor's discretion – for example when trying to determine whether an observed non-conformity is limited to a few farmers or more widely-occurring.

External Assessment allows for the identification of corrective actions and improvement recommendations, supporting Producer Units and farmers to remediate nonconformities and identify focus areas for their Continuous Improvement Plan.

6.3 Sampling for External Assurance

External Assessment sampling for PUs and Group Assurance Large Farms is determined through a combination of risk-based and randomised sampling (for details refer to the table in the introduction to Section 6: **Overview of Assurance Mechanisms by Producer Category**). All PUs are categorised by risk at the start of the season using a prescribed risk analysis tool. Once the risk categorisation is complete, sampling is conducted through an automated process in BCI's Better Cotton Platform. The sample for each type of External Assessment can only be generated once per season.

Sample sizes are always rounded up to the nearest whole number. The starting pool for External Assessment sampling includes all PUs due for licensing:

- New PUs
- PUs with an expiring licence
- PUs with a denied or cancelled licence the previous participating season
- PUs with a change in composition of more than 33% of farmers compared to the previous season

BCI Assurance Staff always have the right to conduct additional External Assessment beyond the mandatory samples, to be determined at their own discretion.

Large Farms under the Group Assurance Model receive a sample-based combination of 3PV visits, IP 2PCCs, and BCI 2PCCs on an annual basis. Individual Large Farms follow a simple methodology for External Assessment: 100% of individual large farms are required to undergo 3rd party verification.

6.4 Non-conformities and corrective actions

In the Producer Unit context, non-conformities with Core Indicators observed during external Assessment are graded as either *Incidental* or *Systemic*. This distinction is made according to the severity of the finding and the context within which it was observed, along with consideration of the strength of the Internal Management System at PU level.

For Large Farms, there is no distinction between Incidental and Systemic non-conformities. Any non-conformity with a Core Indicator will lead to a licence cancellation or denial for a Large Farm.

In the PU context, the definition and consequences for *systemic* and *incidental* non-conformities are set out below:

<p>Incidental non-conformity is defined as:</p> <ul style="list-style-type: none"> (i) Non-conformity on a Core Indicator 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>Systemic non-conformity is defined as:</p> <ul style="list-style-type: none"> (i) Corroborative evidence demonstrates that a Core Indicator is not respected, and (ii) Producer Unit cannot provide sufficient evidence that the Internal Management System (IMS) prevents such practices
<p>Consequences: The Producer Unit has 6 months to implement corrective actions to prevent the identified non-conformity from re-occurring in future. The BCI Secretariat is responsible for validating the implementation of corrective actions, either through the evaluation of submitted evidence, and / or by ensuring a follow-up External Assessment is conducted the following season. Failure to remediate the incidental non-conformity in the given timeline results in cancellation of the licence.</p>	<p>Consequences: The Producer Unit is denied a licence. If the systemic non-conformity is identified during an active licence period, the Producer Unit's licence is cancelled immediately. In both cases, the Producer Unit may re-apply for licensing the following season and will be subject to a mandatory External Assessment.</p>

Addressing Non-Conformities

Producers are responsible for identifying the root cause of any non-conformities detected and developing a corrective action plan to fully address these non-conformities and prevent their re-occurrence.

Re-occurring or un-corrected Incidental Non-Conformities

Any incidental non-conformity that is not fully closed within 6 months will automatically escalate to a systemic non-conformity. This can be the case if a follow-up visit by the BCI staff in six months finds that corrective actions are not implemented or have not been effective at addressing the issue. This can also be the case if an incidental non-conformity is determined to be closed during a follow-up visit six months after initial observation; however, in the following season, the same non-conformity is detected again at the same Producer (e.g. during external assessment) in the following season.

In exceptional circumstances, the assessor may recommend not to escalate a re-occurring incidental non-conformity. In this case, the assessor would need to show clear evidence that the PU has made significant progress in addressing the root cause of the non-conformity, and/or exceptional circumstances have prevented full closure of the non-conformity. Any such case requires review and final approval by the BCI Assurance Managers, and this decision is final.

7. Licensing Decisions

7.1 Licensing outcomes

The final decision on whether to grant a Producer a licence to sell Better Cotton is made by the BCI Assurance Managers based on the outcomes of Self-Assessment and External Assessment. For Producer Units and Large Farms under the Group Assurance model, an initial licensing recommendation is made by Programme Officers/ Coordinators, which is then reviewed and confirmed (or denied) by the BCI Assurance Manager.

For individual Large Farms, an initial licensing recommendation is made by 3rd party verifiers based on Self-Assessment and the 3PV visit. This recommendation is then reviewed and confirmed (or denied) by the BCI Assurance Manager.

Licensing recommendations and final decisions are made using a licensing scorecard, which reflects the outcome of Self-Assessment and any relevant External Assessment and generates an automated recommendation. If the scorecard identifies any discrepancies between assessment findings (e.g. a 2nd Party Credibility Check shows compliance, but a 3rd Party Verification indicates non-compliance), BCI Assurance Managers review the findings of all assessments and provide an evidence-based rationale for the final licensing decision.

A single licence is issued for all farmers in a compliant PU.

7.2 Licence durations

For PUs and individual large farms, there are three possible licence durations: 1 year, 3 years, or 5 years. The licence duration is initially determined by the Producer's performance on Improvement Indicators, as reported in the Self-Assessment. These results are cross-checked

during BCI 2PCCs (for PUs) or 3PVs (for Large Farms). If less than 80% of Improvement Indicators are validated, the licence is automatically reduced to one year.

All Large Farms under the Group Assurance Model that meet the Licensing Requirements receive a standard three-year licence.

7.3 Licence cancellation, suspension, and denial

‘Licence denial’ applies to a Producer that is applying for a licence but fails to meet the Minimum Requirements. This Producer may be a new Producer applying for their first licence or an existing Producer who is reapplying for their licence (due to their previous licence expiring or being cancelled/ suspended).

‘Licence cancellation’ applies to a Producer where their active licence has been cancelled. This can happen for several reasons which have each been listed in Section 7.3.1. All licence cancellations are reviewed and approved by the BCI Assurance Managers. Producers will be informed of a licence cancellation and they will subsequently be unable to sell their cotton as Better Cotton.

‘Licence suspension’ automatically occurs for one season (the following season) when a Producer’s active licence has been cancelled at the end of a season. This can only be the result of one of three reasons which are detailed further in Section 7.3.1. Thus, the Producer’s ability to sell its cotton as Better Cotton is suspended during the following season.

During the season where the licence is suspended, the Producer is encouraged to continue participating within the BCI programme to receive training and support. The Producer will not be required to submit a Self-Assessment or receive any External Assessments. Although, the Producer is suggested to conduct Internal Assessments (where applicable) to facilitate continuous improvement.

When a licence is denied or cancelled (but not suspended), the Producer can reapply for a licence from the following season and will receive a mandatory External Assessment visit. In the scenarios where a licence has been suspended the Producer will be re-entered to the pool for licensing during the season after licence suspension.

7.3.1 Terms and Definitions for Producer Unit Licence Cancellation, Suspension and Denial

For Producer Units (smallholders/ medium farms), licences will be cancelled, suspended, or denied in the following cases:

1. **Systemic non-conformity on a Core Indicator or re-occurring incidental non-conformity on the same indicator:** any systemic non-conformity raised against a Core Indicator during an External Assessment or in the Self-Assessment results in either licence denial or licence cancellation, as it demonstrates that the PU has not met BCI’s Minimum Requirements for licensing⁶.

⁶ Note that if a systemic non-conformity is detected in an external assessment (i.e. BCI second-party check) carried out after licensing (or before the start of the next season), this will lead to a one-year suspension for the following season. This includes during Performance Validation Checks.

Any incidental non-conformities that re-occur during the following season will automatically escalate to a systemic non-conformity, as this indicates the corrective actions have not been sufficient to fully address the root cause of the issue. Section 6.5 further details the exceptional circumstances where a reoccurring incidental non-conformity may retain its grading as an incidental non-conformity rather than being escalated to a systemic non-conformity.

2. **Failure to fully correct incidental non-conformities:** If a PU does not implement satisfactory corrective actions on incidental non-conformity within the 6-month deadline, the PU's active licence is suspended for one year in the following season.
3. **Non-submission of Results Indicators:** the submission of Results Indicators to BCI is a Minimum Requirement to receive or retain a licence to sell Better Cotton. Licences granted in advance of the annual Results Indicator submission deadline are always considered conditional. Licences also will be suspended for one year in the following season if Results Indicator data is:
 - Submitted after the deadline⁷
 - Incomplete
 - Systemically erroneous (e.g. fertilizer data in place of pesticide data)
 - Falsified or Fabricated
4. **Additional Cause for PU Licence Cancellation:** A Producer Unit's active, multi-year licence must be cancelled should any of the following circumstances occur:
 - The PU stops growing cotton
 - Non-submission of Self-Assessment survey 4 weeks before harvest
 - The PU undergoes >33% change in farmer composition compared to the previous season

The table below provides an overview of the cases where a Producer Unit would have their licence cancelled, suspended or denied.

	Licence Cancellation	Licence Suspension	Licence Denial
Systemic non-conformity on a Core Indicator during a BCI 2PCC (or PVC) or re-occurring incidental non-conformity on the same indicator	Yes		Yes
Systemic non-conformity on a Core Indicator in the Self-Assessment	Yes		Yes
Failure to fully correct incidental non-conformities within 6 months	Yes		
Non-submission of Results Indicator reports or rejected RiR data	Yes		
Where a Producer Unit has an active, multi-year licence and the PU stops growing cotton	Yes		
Non-submission of Self-Assessment survey 4 weeks before harvest	Yes		Yes
Where a Producer Unit has an active, multi-year licence and the PU undergoes >33% change in farmer composition compared to the previous season	Yes		

⁷ As with Self-Assessment, an extension request process is available in extenuating circumstances.

7.3.2 Terms and Definitions for Large Farm Licence Cancellation, Suspension and Denial

The licence for a Large Farm can be cancelled, suspended or denied in the following cases:

1. Non-conformity with any Core Indicator during a 3PV – leads to a licence denial
2. Non-conformity with any Core Indicator in Self-Assessment – leads to a licence cancellation or licence denial
3. Non-submission of Results Indicator Data– leads to licence suspension.
4. Non-submission of Self-Assessment survey 4 weeks before start of harvest⁸ - leads to licence cancellation or denial

The table below provides an overview of the cases where a Large Farm would have their licence cancelled, suspended or denied.

	Licence Cancellation	Licence Suspension	Licence Denial
Non-conformity on a Core Indicator during 3PV			Yes
Non-conformity on a Core Indicator in Self-Assessment	Yes		Yes
Non-submission of Results Indicator reports or rejected RiR data	Yes		
Non-submission of Self-Assessment survey 4 weeks before harvest	Yes		Yes

8. Extension Requests

8.1 General Extension Requests

The Assurance Programme requires Producer Units and Large Farms to adhere to certain deadlines to receive and retain a licence, including:

- Finalisation of PU Data at end of sowing
- Submission of Self-Assessment 4 weeks before start of harvest
- Submission of Results Indicators 12 weeks after end of harvest

If a PU or LF anticipates missing an assurance deadline, a formal request for deadline extension must be made in advance. To be considered, deadline extension requests must be submitted in writing to the relevant Programme Officer or Coordinator at the latest 2 weeks prior to the deadline, and must identify the following:

- The PU/LF Code
- The Assurance reporting requirement and associated deadline
- The time extension required
- A clear rationale for the extension request

⁸ If a LF stops growing cotton while holding an active multi-year licence, the licence remains valid provided the LF fulfils the annual Self-Assessment requirement.

Deadline extensions are recommended by the Programme Officer / Coordinator based on the above and must be validated by the BCI Assurance Manager.

8.2 Extension requests for Incidental non-conformity follow-up

If the incidental non-conformity is being followed up through a remote process, the PU Manager is required to submit evidence of remediation within 6 months. Extension requests must be submitted in writing by the original deadline, and include the following:

- The PU Code
- Reference to the incidental non-conformity
- A clear rationale for the request

If an extension requests is approved, the extension will be granted for two weeks. If the two week extension is not met BCI has grounds to cancel the licence. If the PU Manager requests an additional extension, the request is reviewed and determined by the designated BCI Assurance Manager.

9. Appeals Process

Under the Better Cotton Assurance Programme, Producers can appeal against a licensing decision within 10 working days of being informed of the licensing decision. Appeals must be filed using the dedicated Appeals Form found on the [Assurance Programme page](#) of the BCI website.

Appeals received by the BCI Secretariat are first reviewed for eligibility. Appeals are considered ineligible for processing if they are received after the deadline, the appeals form is incomplete, or if they do not contain sufficient evidence to support the appeal.

Decisions on eligible appeals are made by a subset of members from BCI's Appeals Committee, which is comprised of BCI Country Managers and 3rd party verifiers or independent consultants. Within 14 days of receiving an eligible appeal, BCI's Assurance Managers will designate a specific panel composed of 1-3 members of the Appeals Committee, who will review and decide on the appeal in question. The names of these members will be shared with the appellant in writing. Members of the panel are selected based on impartiality, technical knowledge of the relevant BCI principles covered by the appeal, understanding of local context, and availability. The panel will exclude any members with conflicts of interest – for example, a 3rd party verifier who has previously carried out a verification visit for the Producer in question.

The dedicated appeals panel will review and decide on an appeal within 35 calendar days of receipt of the appeal. The appellant will be notified in writing of the decision and the rationale. All appeal decisions are final.



10. Oversight Mechanism

BCI is committed to ensuring the continued effectiveness and integrity of its Assurance Programme through external oversight. External oversight activities are conducted as part of periodic system reviews and are performed by an independent body at least every 3 years. Details of BCI's oversight mechanism are outlined in the publicly available [Assurance Programme System Review](#) document.

11. Feedback on the Assurance Programme

BCI is open to suggestions for improvement to the Better Cotton Assurance Programme from stakeholders. To submit a suggestion for improvement or for any other inquiries on the Better Cotton Assurance Programme, please email: assurance@bettercotton.org