Understanding the Delta Framework & the benefits of Aligned Impact Indicators in the Cotton Sector
Today’s speakers

Charlene Collison
Forum for the Future
c.collison@forumforthefuture.org

Eliane Augareils
Delta Project / BCI
eliane.augareils@bettercotton.org
Why align on impact metrics?
What initiatives exist?
The role of Cotton 2040
The Delta Framework
What are the next steps?
What type of organisation are you?

- Brand or retailer: 2
- Prophet organisation/representative: 0
- Trade/other supply chain actor: 1
- Consumer association/representative: 0
- Standard organisation: 7
- NGO: 3
- Investor: 1
- Media: 0
- Other: 3
Why did you attend this webinar today? Choose the answer that best represents your view:

- 5 respondents: I've heard about the Delta Project and/or the MoU among Cotton 2040 members and want to know more.
- 7 respondents: I'm interested in developments that can improve transparency and credibility of sustainable cotton reporting.
- 1 respondent: I'm concerned about extra requirements impact reporting might put on my organisation.
- 3 respondents: I want to keep abreast of developments generally.
- 3 respondents: Other.
Why does it matter for you to get alignment on impact metrics across cotton standards? Select all that apply:

- It will strengthen the narrative for the benefits of sustainable cotton: 13
- It will be easier to make the business case for prioritising sustainable cotton within our organisation: 2
- It will be simpler to report on the overall impact from our different sustainable sourcing choices: 6
- It will strengthen how we can demonstrate our contribution to the SDGs: 11
- Other: 1
Rationale for aligning on metrics, and related initiatives
Why align on impact metrics?

The problem we were trying to solve:

- Confusion around standards’ sustainability messages
- No clear demonstration that the sourcing of sustainable cotton actually links to environmental and socioeconomic progress at farm level
- Lack of common narrative about what sustainable cotton is and its benefits (for brands, consumers, investors)
Global Cotton Conference 2018

Learning from other sectors, cross-sector collaboration, bringing learning from other sectors.

Supply Chain Mapping:
- Align terminology on supply chain management
- Agree on production protocol/standards
  - Connect common facility ID (CIF) to common tier/production definitions (OECD definitions)
  - Use converged industry tools to measure enfold (Higg) and social labor (SCCP) performance, have common definition of impact/risks
  - Use one of the common terminology (e.g., alignment of standards on common terminology in traceability systems)
  - The Accountability Framework Initiative (AFI)
What initiatives exist?

Alongside efforts of individual standards to evolve and update their own indicator sets, key initiatives included:

- ISEAL Common Core Indicators
- ICAC and FAO Indicators for Measuring Sustainability of Cotton Farming Systems
- Textile Exchange – alignment across organic sector
- Committee on Sustainability Assessment (COSA); Higg Index; SCAP and ECAP, etc.
- A further 20 initiatives seeking to influence or make demands on data relating to cotton farming with various, often overlapping goals and remits
Cotton 2040 is a pre-competitive multi-stakeholder initiative to support the shift to a sustainable global cotton industry, which

- is resilient in a changing climate;
- uses business models that support sustainable production and livelihoods; and
- where sustainably produced cotton is the norm.

Facilitated by Forum for the Future and supported by Laudes Foundation, Cotton 2040 aims to accelerate progress and maximise the impact of existing sustainability initiatives across the global cotton industry,
COTTON UP

A PRACTICAL GUIDE TO SOURCING MORE SUSTAINABLE COTTON

Is your business looking to source more sustainable cotton?

Whether you’re a senior manager on a mission or a buyer with targets to hit, CottonUP is here to help. This interactive guide answers three big questions about sustainable cotton: why it’s important, what you need to know and do, and how to get started.

Find what you’re looking for using the boxes below, or get in touch to find out more.

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Laudes Foundation

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BCCI Better Cotton Initiative
COTTON AUSTRALIA
COTTON AFRICA
FAIRTRADE FOUNDATION
TextileExchange
OCA
COTTON CONNECT

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FORUM FOR THE FUTURE
COTTON 2040
Improving supply chain transparency, traceability and impact data: options from research

We prioritized potential solutions by impact and ease of implementation.
Challenges in achieving alignment

- Many initiatives, different agendas
- No existing collaboration vehicle, creating a complex landscape drawing on time of standard organisations
- Interest in alignment from standards but few commitments to align, and diverging approaches to impact assessment

<table>
<thead>
<tr>
<th></th>
<th>Common interest</th>
<th>Common metrics</th>
<th>Commitment to align</th>
</tr>
</thead>
<tbody>
<tr>
<td>Farm &amp; contextual info</td>
<td>Green</td>
<td>Green</td>
<td></td>
</tr>
<tr>
<td>Production &amp; inputs</td>
<td>Green</td>
<td>Green</td>
<td></td>
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<tr>
<td>Activities &amp; changes in practice</td>
<td>Yellow</td>
<td>Yellow</td>
<td></td>
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<tr>
<td>Outcomes</td>
<td>Yellow</td>
<td>Yellow</td>
<td>Red</td>
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The collaboration process

- Convening sustainable cotton standards to discuss and explore alignment in principle
- Collaborating with the Delta Project to define common indicators and metrics for impact reporting across the standards
- Identifying potential opportunities for alignment across the sustainable cotton standards, certification bodies and codes, and what would be involved in acting on the opportunities
- Signing up to an MoU to implement
If you want to go fast, go alone. If you want to go far, go together.

- African proverb
Delta Project

Introduction

- **Funded** by SECO through the ISEAL Innovation Fund for 3 years (2019-2021)
- **Partners**: BCI, ICAC, Global Coffee Platform, and International Coffee Organisation
- **Project’s aim**: Bridging the gap in measuring and reporting sustainability performance in the agricultural commodity sector
  - Build multi-stakeholder, international consensus for sustainability measurement on key common goals
  - Harmonize approaches to assess progress and connect to SDG commitments from private and public sector actors
  - Add value for farmers from their sustainability performance data
Delta Project
Objectives & Value proposition

1. Develop a Sustainability Framework: impact indicators, guiding principles and data standardization
   - For the sustainability community: common language on sustainability across agricultural commodity sectors

2. Link sustainability performance to business actors and governments: method and guidance
   - For companies & private sector: standardised sustainability information to customers/stakeholders, simplified data consolidation, consistent data collection
   - For government & public sector: SDG commitments reporting, evidence-based decision making for agricultural policies & services
Delta Project
Objectives & Value proposition

3. Add value for producers: feedback performance data to farmers, contextualise data by establishing links to open data sources (e.g. weather, market information), enhance the development of farmer-centred services (e.g. extension services, finance, insurance, etc.)

- **Farmers:** better learning and decision making, (improved) access to services
Delta Sustainability Framework Timeline

Consultations
June 2019 – January 2020
Sustainability goals and indicators

Implementation protocols
Feb – August 2020
Methodologies & data collection tools

Pilot testing in India
January - April 2021
Cotton 2040 WG Members

Delta Framework V1
May – June 2021
Refining the framework

WE ARE HERE

First indicator set: 24 options
BCI
Cotton 2040 Impact Alignment Workflow
SEEP
ISEAL
ICAC
Coffee
GCP

Working groups:
- Pesticides
- Expert consultations:
  - GHG emissions
  - Soil Health
  - Gender
  - Water

Sector & Experts consultations:
- Child/Forced Labour
- Land use change
- Gender 2
- Water 2

Cotton and coffee season Indicator testing phase
October - December 2020
Pilot testing in South Africa and Vietnam

Adjusted indicator set, methodologies & tools
April 2021
Feedback workshops

User guidance & Comms material
July - Sept 2021
Dissemination

Validated set of 15 indicators
February 2020
Delta Indicators V0

Desk review of successful sustainability frameworks
May – June 2019
Stocktaking
Delta Sustainability Framework Consultations

17 consultative events have taken place, reaching out to over 120 people representing 54 organisations from the agricultural private and public sectors, among which:

- Public and research organizations
  - SEEP Panel

- Cotton standards & codes
  - Cotton 2040 Impact Metrics Alignment Working group

- Other sustainable standards
  - ISEAL Members

- UN Agencies
Delta Sustainability Indicators
3 pillars of sustainability & SDGs

Sustainability themes and sub-themes across the three pillars: environmental, economic and social.
### Delta Sustainability Indicators

**Sustainability goals for cotton**

Sustainable Cotton Farming is expected to aim at the following goals:

<table>
<thead>
<tr>
<th>Headline impact areas</th>
<th>Environmentally sustainable agricultural practices (SDGs 3, 6, 12, 13, 14, 15)</th>
<th>Decent livelihoods/poverty reduction (SDGs 1, 8, 10)</th>
<th>Social wellbeing, equality &amp; empowerment (SDGs 2, 3, 6, 8, 10, 16)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Common goals</td>
<td>Minimise contamination of natural resources</td>
<td>Make cotton farmers and workers earn a decent income</td>
<td>Ensure respect human rights on cotton farms, with no forced and child labour</td>
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<td>Protect and regenerate ecosystem services</td>
<td>Be economically viable and farmers to be economically resilient</td>
<td>Ensure healthy &amp; safe working conditions for all farmers and workers</td>
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<td></td>
<td>Reduce greenhouse gas emissions and build resilience to climate change</td>
<td>Alleviate poverty</td>
<td>Enhance equality and empowerment, including in gender, for cotton farmers and workers</td>
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Delta Sustainability Indicators
Criteria

- **Monitor progress** towards the 9 goals and towards sustainable agricultural commodities.
  - **Relevance**: progress towards goals and credibility
  - **Usefulness**: global commitments, comparability and aggregation, stakeholders' needs
  - **Feasibility**: easy of data collection and costs.

- **15 farm-level, outcome/impact indicators**

- **Interdependences** between social, economic and environmental sustainability pillars
  - Indicator set to be seen as a whole.

- **Not prescriptive** on specific tools to use but setting minimum **requirements** and providing **guidance**
Delta Sustainability Indicators
Environmental dimension

Environmental Indicators

1. Use of highly hazardous pesticides
   Unit: kg active ingredient (a.i.) of highly hazardous pesticide per ha of harvested land

2. Pesticide risk indicator
   Alternative: pesticide use by active ingredient kg per ha

3. Water management (in irrigated farms)
   3.1 Quantity of water used for irrigation
      Unit: mega litres per ha of harvested land
   3.1 Water use efficiency
      Unit: percentage of water used for the crop out of water withdrawn/diverted from its source
   3.3 Water crop productivity
      Unit: mega litres per tonnes of cotton lint or Green Bean Equivalent (GBE)

4. Top soil carbon content
   Unit: grams of organic carbon per kg of soil

5. Fertiliser use by type
   Unit: kg a.i. per ha of harvested land
   In future: nitrogen use efficiency

6. Forest, wetland and grassland converted for cotton or coffee production
   Unit: ha of forest, wetland or grassland converted to cotton or coffee production

7. Greenhouse gas emissions
   Unit: kg CO₂ equivalent per kg cotton lint or GBE

Units: GBE coffee Green Bean Equivalent; ha hectare; kg kilogram
Economic Indicators

8 Average yield
   Unit: kg cotton lint or GBE per ha

9 Net average returns from cotton and coffee production
   Unit: USD per ha seed cotton or GBE
   In future: Living Income

10 Price at farm gate
    Only for premium-based standards
    Unit: local currency/tonne of seed cotton per kg of GBE

11 Proportion of workers earning a legal minimum wage
   Unit: daily average earnings for farm labour compared to (rural) minimum wage in US$ or local currency
   Units: GBE coffee Green Bean Equivalent; ha hectare; kg kilogram
Delta Sustainability Indicators
Social dimension

Social Indicators

12. Incidence of the worst forms of child labour
   Unit: number of children aged 5 to 17 years engaged in child labour, by sex and age

13. Incidence of forced labour
   Unit: number of people engaged in forced labour, by sex and age

14. Women empowerment
   Composite indicator

15. Number of fatalities and non-fatalities on the farm
   Unit: number of incidences per 1 million people
Which metric do you think is highest priority out of the 15 Delta indicators?
What would you hope reporting on these metrics would do to benefit the sustainable cotton sector?

- Simplify impact reporting: 1
- Make a stronger case for brands to procure sustainable cotton: 7
- Increase consumer trust in sustainable cotton: 6
- Drive investment in sustainable cotton: 1
- Other: 2
Next steps in alignment & Future of Delta Framework
Delta Framework
Next steps

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What is the future of these workstreams?

- Gradual Integration of the Delta indicators some Standards & Codes M&E systems
- Test of use cases for Farmers, Retailer & Brands, and for public entities
- What we didn’t do (yet)? – Potential phase 2
  - Indicator on living wage and other indicators meant to evolve over time;
  - Joint efforts on data collection;
  - Common database for easier analysis & reporting.
- What is Cotton 2040 up to now?
  - 3 new workstreams: building uptake, climate resilience, sustainable business models
Thank you! Questions?

www.deltaframework.org