

BCI Derogations Policy

Version 1: September 2020

Introduction

The Better Cotton Principles & Criteria (P&C) is designed for global applicability, and takes into account different farm categories in its design. Nonetheless, BCI recognises that in some exceptional circumstances, a criterion or indicator of the P&C may not be relevant or applicable in a specific local context. In addition, BCI Producers¹ may at times be faced with unexpected or structural circumstances which prevent full compliance.

To account for these situations, BCI has developed a process for Producers – in coordination with the local BCI Country Team – to request a derogation for a specific indicator or set of indicators.

This process is applicable only if:

1. There is clear evidence to support the argument that a core indicator is not applicable or is not relevant in the local context (i.e. even if compliance was achieved, the intent of the indicator would not be fulfilled). *In this case, alternative locally-adapted indicators must also be proposed; or*
2. There is clear evidence of unexpected or structural circumstances (e.g. natural disasters) which prevent full compliance

1 Purpose and Scope

The purpose of this document is to ensure that all requests for derogation to the BCI P&C are completed and processed consistently and transparently. The document describes the types of situations in which derogations may be needed and outlines the application and decision-making process for derogation approval.

This policy is applicable to all licensed Producers and Producers applying for licensing, current Implementing Partners, and BCI Strategic Partners. It applies to derogations for the core (required) indicators in the *BCI Principles and Criteria*².

¹ Producers refers to Large Farms or Producer Units of smallholder or medium farms

² <https://bettercotton.org/wp-content/uploads/2019/06/Better-Cotton-Principles-Criteria-V2.1.pdf>

2 Reasons for Derogation

The derogations process is applicable only in the following cases:

1. Core indicators are not relevant or applicable in the local context

A request for derogation can be made in cases where an indicator under the BCI Standard is not relevant or applicable to the local context and therefore compliance with the indicator would not meet the desired intent. In these cases, the derogation request must also include a well-designed and rationalised locally-adapted alternative indicator that would be applied instead of the core BCI indicator. These alternate indicators should be developed in consultation with key local stakeholders or experts.

2. Structural or unforeseen circumstances prevent compliance

Derogations can also be requested due to structural circumstances that interfere with the ability of a Producer to fulfil a requirement of the BCI P&C, and therefore may call for derogation, which includes the following examples:

- a. Natural or manmade disasters
- b. Unforeseen events outside of the control of the Producer (e.g. unanticipated legislation changes, changes in government-controlled irrigation systems, etc.)

Derogations cannot be requested on the basis of cost or feasibility challenges. Derogations also cannot be requested after non-conformities have been raised during a scheduled licensing or surveillance assessment.

3 Derogations Process

Requests for derogations can be raised by a Large Farm or an Implementing Partner, in collaboration with the local BCI Country Team. Derogations can also be initiated by a BCI Country Team directly (i.e. on behalf of a group of Producers, or at the national level). In specific cases – such as where multiple countries may be affected – a derogation can be initiated directly by BCI's Standards and Assurance team, on behalf of the concerned Producers and IPs.

1. **Derogation request:** A Large Farm or an IP (on behalf of a PU or group of PUs) first reaches out to the local BCI Country Team with a potential request for derogation. The Producer or IPs should liaise with the local BCI Country Team to complete a detailed [derogation request form](#) and submit it to the Standards and Assurance (S&A) Team assurance@bettercotton.org. In cases where a regional or national context may be applicable, BCI Country Teams may initiate this process on behalf of a group of IPs or Producers (Producer Units/Large Farms). In benchmarked countries, the derogation request may be submitted by the Strategic Partner on behalf of a group of Producers.
2. **Initial completeness check:** The request is checked for completeness by the S&A Team before being passed on to the Derogations Committee for review and decision making. Additional information (with deadline to adhere to) may be requested from the Large Farm or IP.
3. **Review and discussion:** The request is reviewed by the Derogations Committee comprising of selected members of BCI Staff with relevant expertise. This will include at

least two of the following roles: BCI Standards Manager, Assurance Manager, Head of Standards and Assurance, and/or Director of Standards and Assurance. The Derogations Committee may include other members (such as BCI Country Team staff) and may seek technical advice from independent topical/thematic experts, when appropriate.

4. **Final decision:** The Committee will aim to reach a decision on whether to approve or deny the derogation within 4 weeks of the receipt of the application. However, additional time may be required where further information or technical expertise is necessary. In these cases, the applicant is informed of the delay in writing.
5. **Communication of outcome:** The Committee communicates the decision on the derogation request to the applicant in writing, including the local BCI Country Team in communication. Approved derogations specify:
 - a. the indicator(s) for which there is a derogation
 - b. the justification for the derogation
 - c. the duration of the derogation
 - d. the conditions for the derogation, e.g. specific reporting deadlines, requirements for a phase out plan, controls to minimise impacts of the derogation, etc.
 - e. The scope of the derogation, in terms of Producers, regions, or countries affected

The local BCI Country Team is responsible for ensuring IPs and Large Farms are informed of the outcome of a derogation request. IPs in turn are responsible communicating the outcome, including any conditions of an approved derogation, to the relevant Producers under their management.

6. **Monitoring implementation:** In the case of Producer Units, the IP is responsible for monitoring the implementation of the conditions for the derogation, and for reporting progress to the local BCI Country Team according to the specified timeline. In the case of Large Farms, the farmer is responsible for these activities. For all Producers, BCI reserves the right to request formal updates on the conditions of the derogation at any time.

Note that all decisions on derogations are final, and cannot be appealed. A request for derogation can be re-submitted the following season if circumstances or information has changed.

4 Approved Derogations

BCI will make a list of existing approved derogations available publicly on the BCI website and will ensure this information is shared with third-party verifiers and assessors.

Approved derogations are only valid for the time period specified by the BCI Derogations Committee. All approved derogations will expire at the time the next version of the Better Cotton Principles & Criteria becomes effective. All derogations will however be carefully considered as input into the Standard review process.