

BETTER
COTTON

GROWTH & INNOVATION FUND



ANNUAL REPORT 2019-20

BCI Farmer Fayaz Mai, 2019
Credit - REEDS, Pakistan



Table of Contents

Introduction	3
Programme Report	4
• India	4
• Pakistan	4
• China	5
• Mozambique	5
• Mali	5
• Turkey	5
Stories from the Field	6
Driving Innovation	9
Impact of Gender Sensitisation Trainings at the Field Level	13
Annexure 1: FIIC and BIC members	16
Annexure 2: Better Cotton GIF Summary 2019-20	16
Annexure 3: Better Cotton GIF Project-wide Summary 2019-20	17



Introduction

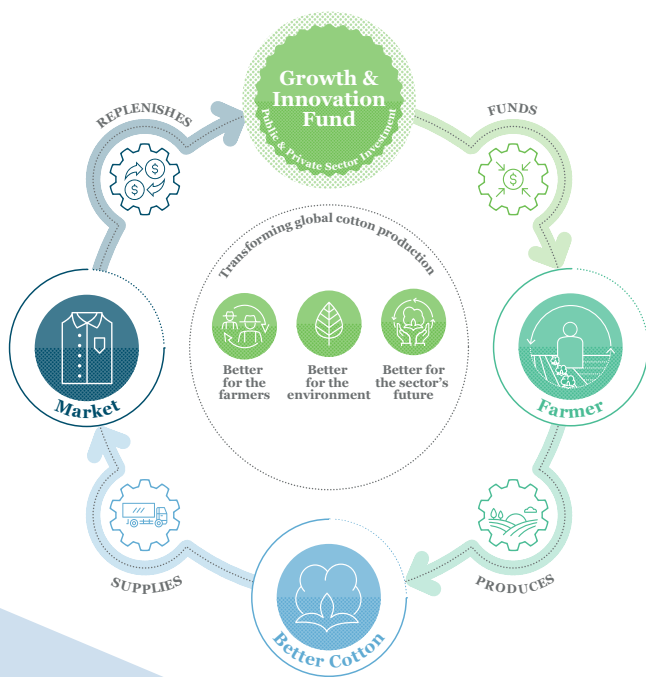
Cotton is used by nearly everyone across the world on a daily basis. Cotton production alone supports the livelihoods of more than 250 million people. For millions of people, often in some of the world's poorest countries, cotton is a vital link to the global economy.

Cotton is a natural and versatile fibre; it grows well in difficult environments and it is fully renewable. Yet the future of cotton is vulnerable to challenges including climate change, gender inequality, labour shortages, water scarcity and pest pressure. Today, less than 25% of cotton is grown in a way that actively protects people and the environment.

The Better Cotton Growth and Innovation Fund (Better Cotton GIF or the Fund) is a global programme designed to support the Better Cotton Initiative (BCI) in its goal of reaching five-million farmers in key cotton producing countries and having Better Cotton account for 30% of global cotton production by 2020.

The Fund identifies, supports and invests in field-level programmes and innovations while supporting the adoption of the Better Cotton Standard System by governments, trade associations and other entities. It is overseen by the BCI Council in partnership with BCI Retailer and Brand Members, BCI Civil Society Members and donors.

It provides the funding mechanism for BCI and its members and partners to directly support farmer capacity building, a core component of the Better Cotton Standard System. In 2019, it funded Implementing Partners (IPs) for farmer capacity building in six countries – India, Pakistan, China, Mozambique, Mali and Turkey.





Programme Report

In the 2019-20 cotton season, the Fund worked with 1.8 million* cotton farmers in India, Pakistan, China, Mozambique, Mali and Turkey. The farmers received training and support from the Fund through regional IPs. Better Cotton GIF directly invested €10 million* from BCI Retailer and Brand Members, public donors (DFAT and Laudes Foundation) and IDH.

India

India is the largest cotton producer in the world. Approximately 80% of the farmers are smallholders who constantly deal with pest and irrigation related issues and who are highly vulnerable to climate variations beyond their control. To meet these challenges, the Fund invested over 50% of the total funding allocation to India to work with 17 IPs on 26 projects in 2019-20.

Estimated Programme Results 2019-20*

Fund Investment:	Better Cotton Production:
€5,393,407	1,194,210 MT
Participating Farmers:	Area Covered:
1,019,252	1,596,166 ha

Implementing Partners

Ambuja Cement Foundation | AFPRO | AKRSP(I) | Arvind Ltd. | Basil Commodities | CottonConnect | Deshpande Foundation | DSC | K.K. Fibers | Lupin Foundation | MYKAPS | PRDIS | Puneet Enterprises | Spectrum International | STAC | Udyansh | WWF India

Pakistan

More than 1.5 million farmers are engaged in cotton farming in Pakistan. The country also has a high concentration of ginning and spinning mills which contributes highly to the GDP. However, pests, poor quality cotton seeds, poor climatic conditions and social issues (e.g. gender inequality) are perpetual challenges in the sector. To address some of these challenges at the field level, the Fund invested in 17 projects and worked with eight IPs in 2019-20.

Estimated Programme Results 2019-20*

Fund Investment:	Better Cotton Production:
€3,639,124	1,202,318 MT
Participating Farmers:	Area Covered:
495,558	1,400,292 ha

Implementing Partners

Agriculture Extension Department Punjab | CABI | CottonConnect | Lok Sanjh | REEDS | Smart Agriculture | SWRDO | WWF Pakistan

*The Better Cotton production, participating farmers, and area covered figures presented within this report are contracted figures for 2019-20 season. BCI will publish final season figures once the 2019-20 cotton season is complete. The Fund investment figures are based on the audited accounts for 2019-20.



China

China is the world's second largest producer and the largest consumer and importer of cotton. Sustainable cotton production is a major challenge here as 24 million farmers depend on cotton cultivation to earn a living, resulting in a negative environmental footprint. To create a positive impact in the sector, the Fund worked with five IPs on five projects in 2019-20.

Estimated Programme Results 2019-20*

Fund Investment: **€532,894** Better Cotton Production: **311,350 MT**

Participating Farmers: **116,224** Area Covered: **173,968 ha**

Implementing Partners

CottonConnect | Huangmei Cooperative | Nongxi Cooperative | Songzi Agricultural Extension Center | Zhong Wang Cooperative

Mozambique

Cotton is a major agricultural crop in Mozambique involving over 100,000 farmers in the country. However, due to extreme climatic conditions and water insecurity, the yield is one of the lowest in the world. The sector is further adversely affected by social challenges such as a poor literacy rate among farming communities and weak public health. To meet some of these challenges, the Fund worked with two IPs in the country in 2019-20.

Estimated Programme Results 2019-20*

Fund Investment: **€90,948** Better Cotton Production: **26,398 MT**

Participating Farmers: **85,000** Area Covered: **66,250 ha**

Implementing Partners

Sanam | SAN-JFS

Mali

Agriculture in Mali employs approximately 70% of the population with nearly 40% of the rural population dependent on cotton production as one of the country's leading exports. Since the Malian government started actively promoting cotton production in 1995 as an alternative cash crop, production has steadily increased. It continues to grow rapidly in Mali and contributes significantly to the country's GDP. In 2019-20, the Fund worked with one IP on one project to promote a more sustainable way of growing cotton in the country.

Estimated Programme Results 2019-20*

Fund Investment: **€99,137** Better Cotton Production: **297,000 ha**

Participating Farmers: **87,287** Area Covered: **320,760 MT**

Implementing Partner

CMDT

Turkey

Turkey is one of the largest cotton trading hubs in the world and cotton is the primary source of income for millions of people in the country. To create a positive impact in the sector and address the challenges such as overuse of pesticides and fertilisers, the Fund worked with two IPs on two projects in 2019-20.

Estimated Programme Results 2019-20*

Fund Investment: **€230,129** Better Cotton Production: **61,476 MT**

Participating Farmers: **3,600** Area Covered: **27,807 ha**

Implementing Partners

CANBEL | WWF Turkey

*The Better Cotton production, participating farmers, and area covered figures presented within this report are contracted figures for 2019-20 season. BCI will publish final season figures once the 2019-20 cotton season is complete. The Fund investment figures are based on the audited accounts for 2019-20.

Stories from the Field



Moving Beyond Stereotypes

Pakistan

Our interventions in Pakistan have focused strongly on promoting gender equality within project regions.

In many cotton growing areas, women face serious challenges and have access to fewer opportunities than their male counterparts. For instance, they tend to be under-represented in learning groups yet are extensively involved in field labour, including picking. Moreover, women workers tend to earn less than men for doing the same work. To address these challenges, the Fund has engaged with several women farmers and empowered women in the community to drive change.

One such woman changemaker in Pakistan is **Faiza Shah**. Within the Better Cotton GIF project, Faiza works as a Field Facilitator (field-based staff, employed by IPs, who deliver on-the-ground training to farmers) for Decent Work with **Rural Education and Economic Development Society (REEDS)** in the Vehari district of Punjab province in Pakistan. Women in this area often face

discrimination. Last year, Faiza's husband fell ill and since then she has been the only one supporting her family. A REEDS Lead Farmer (someone responsible for supporting other BCI Farmers in the community) visited her in search of a local female Field Facilitator to conduct various project activities in the area.

Initially, her husband did not support this but Faiza was able to convince him; she even learnt to ride a motorbike for traveling to target areas to enable her to do her job. This was not a common sight in the villages where she worked but her persistence and hard work started to earn her respect among the community members.

Faiza interacts with other female farmers and workers on decent-work criteria, health and safety, children's well-being and especially on women rights and education. She says, "I am thankful to the Better Cotton programme in our area. When I see women getting empowered and adopting best practices, I feel proud in contributing to the community well-being. Also, I am now contributing to my family's financial needs. I am much happier now!"



Another woman who has benefitted from the programme is **Fayaz Mai**. Married early in life, she faced personal issues which led her to dissolve the marriage and come back to live with her parents, where she became the sole provider for five family members including her aging father. In 2018, she registered herself in the Vehari district as a BCI Farmer as she was managing her cotton farm of five acres.

She attended the trainings given to BCI Farmers and learnt how to increase farm productivity with good agricultural practices and integrated soil-fertility management. Learning about crop conservation has been instrumental in helping her increase productivity. Like most farmers in her village, she used to gather cotton wood at the end of harvest season for cooking purposes but she has since learnt it is an unsustainable practice. Instead, she rotavated the residues at the farm to raise soil fertility. She has also made a plant nursery and gifted 93 plants to other females to plant trees in their farms to help retain water in the soil.

Fayaz has been recognised as a prominent female farmer in her learning group and was invited as a BCI Farmer panellist to share her experience in the

“Regional Members Meeting” held at Lahore in September 2019.

“I am positive about my future and want to attend more training to show that women can be productive farmers too,” Fayaz confidently smiles.





Farming for a Sustainable Future

India

In India, overuse of hazardous chemicals is one of the main sustainability challenges in the agricultural sector. Moreover, chemical overuse leads to increased financial stress on the farmers.

Deshpande Foundation is one of the Better Cotton GIF Implementing Partners in India. Currently working in 1,350 villages with 92,000 farmers in Telangana and Karnataka, Deshpande Foundation is working to decrease the usage of hazardous agrochemicals and promote biological and natural pest-control methods, thereby improving farmers' profitability and reducing the harmful impact of agrochemicals on the environment and their health.

Itikala Ramesh is a farmer in Siddipet district of Telangana who benefitted from the training and engagement with the Deshpande Foundation. When he was 20 years old, he migrated to the United Arab Emirates due to lack of employment opportunities in his village. Unfortunately, he was forced to return to India after three years due to poor working conditions in the UAE.

After returning to his village, he restarted farming his six acres of land, mostly growing paddy and cotton. He says, "I used to farm using conventional methods which didn't yield much return. I joined BCI in 2015, which helped me to apply scientific methods to farming practices. I was advised to adopt intercropping in cotton. I was one of the first few farmers to adopt intercropping with red gram, after which 40 farmers adopted the practice. During the year 2017, there were losses in cotton

due to untimely rains. At that time, income from the intercrop became a great support to us."

Moreover, Itikala also substantially reduced the use of agrochemicals on his farms. He remarks, "I used to spray pesticides five to six times per season, before being introduced to BCI. Now I am practicing proper Integrated Pest Management (IPM) techniques such as installing pheromone traps, yellow sticky cards and spraying bio-preparations such as Neem Seed Kernel Extract (NSKE) and vitex extract. This has decreased my expenses on pesticides and also resulted in an increase in beneficial insects on my farm. I am also proud to say that I was the first one in my village to wear Personal Protective Equipment (PPE) while using agrochemicals. People used to make fun of me when I wore a PPE suit and shoes, but they understood its importance slowly and are now adopting it."





Driving Innovation

Skill Development for Field Facilitators in India

Project Implementer: Kuza

In 2019, Better Cotton GIF launched an online skill-development tool for Field Facilitators (FFs) in India. The learning platform enables FFs to undertake personalised and self-directed learning with a view to ensure a consistent skill set across IPs. The pilot was conducted in Maharashtra and Gujarat with six IPs. As many as 504 FFs participated in the initial roll-out, followed by an additional 134 FFs.

All 638 FFs used the learning modules, including a standardised assessment tool enabling users to identify gaps in skills and then suggest a personalised learning path. Sixty-three percent of FFs (398) also completed a user survey to provide feedback on the tool.

Seventy-six percent of the respondents found the tool useful while 57% found the training relevant to their work and will regularly use the tool. However, 82% of the survey participants indicated they would prefer a combination of online and classroom learning.

In Phase Two of the project, Better Cotton GIF will assess the FFs' adoption of learning and measure the enhanced skills demonstrated during the FFs' farmer training. For this, the GIF has chosen to use a Learning Management Platform called Abara. The Abara tool utilises existing content (to avoid duplication of work), and has been rolled out in six languages (Hindi, English, Gujarati, Marathi, Telugu, and Punjabi) and seven states (Rajasthan, Madhya Pradesh, Gujarat, Maharashtra, Punjab, Telangana, and Karnataka). So far, 2114 FFs have been registered on the platform.



Scale Partners Management Systems Review

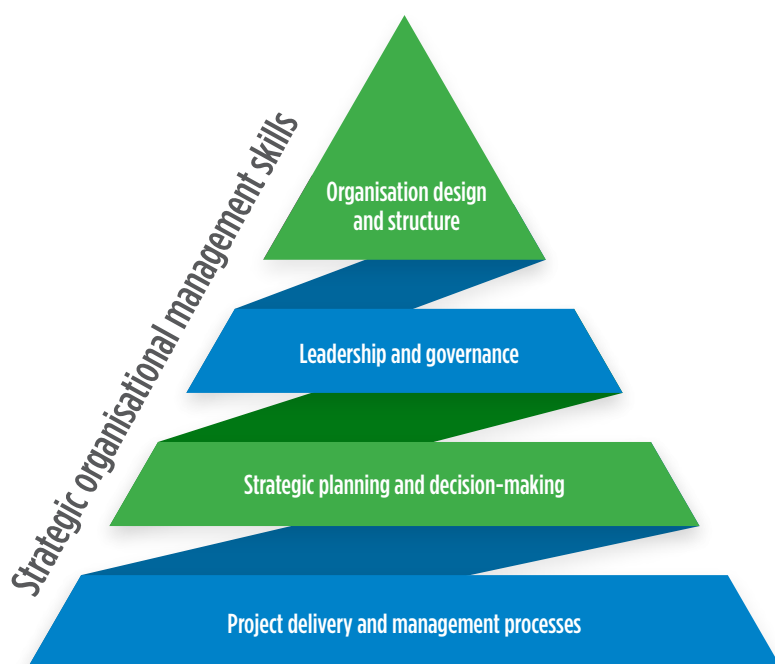
Project Implementers: Thinkthrough Consulting (TTC) and KPMG

In 2019, the Better Cotton GIF carried out a Management Systems Review for our largest IPs in India. Scale Partners are an integral part of our ability to reach and impact large numbers of smallholder farmers. The purpose of the review was to support partners running sizeable programmes through analysing strengths and identifying gaps on which we could collaborate to ensure the programme management was well established to deliver strong results and ultimately impact.

Eight IPs were assessed and provided Corrective Action Plans (CAPs) on how to improve their implementation by aligning it to BCI's Better Cotton Principles and Criteria (P&C) and result-based management framework. CAPs provided Scale Partners with a clear roadmap towards improving their performance and filling the gaps focusing mainly on the strategic organisation management skills of the IPs. An end-line assessment concluded there were needs to:

1. Conduct refresher training on BCI Theory of Change and P&C
2. Develop a Management Information System platform to be used by IPs for data collection and reporting

3. Improve quality of training and awareness plans and modules developed by IPs on programme management aspects and capacity building.



Better Cotton Innovation Challenge

To scale the BCI programme further in a financially viable manner and to improve quality and farmer experience, IDH and BCI established a global innovation platform, the Better Cotton Innovation Challenge, to identify solutions to transform the way cotton is produced today.

Funded by Better Cotton GIF and developed in partnership with Dalberg, the Challenge seeks to involve a global pool of innovators to develop innovations with the potential to drive breakthrough performance at field level and enable BCI to achieve scale in a more efficient way with higher learning and adoption outcomes.

The first round of the Innovation Challenge was launched in November 2019 and focused on two opportunity areas shortlisted after thorough exploration and consultation with BCI on ongoing challenges and gaps in implementation.

- 1) **Customised learning for farmers:** How might we better enable customised learning and support experiences for farmers to further continuous improvement?
- 2) **Time for data collection:** How might we increase the efficiency of data collection and documentation?

Innovators have undergone three competitive application stages through 2020 and received mentorship from experts and access to networking opportunities with industry leaders. In the end, a maximum of four global winners will be awarded the prize and potentially have the opportunity to launch their innovation.

Through the Challenge, Better Cotton GIF aims to drive an independent process for pioneering pipeline development and funding and to utilise its expertise and vast network of partners to actively drive and enable innovation in the cotton sector addressing the many challenges it faces today.

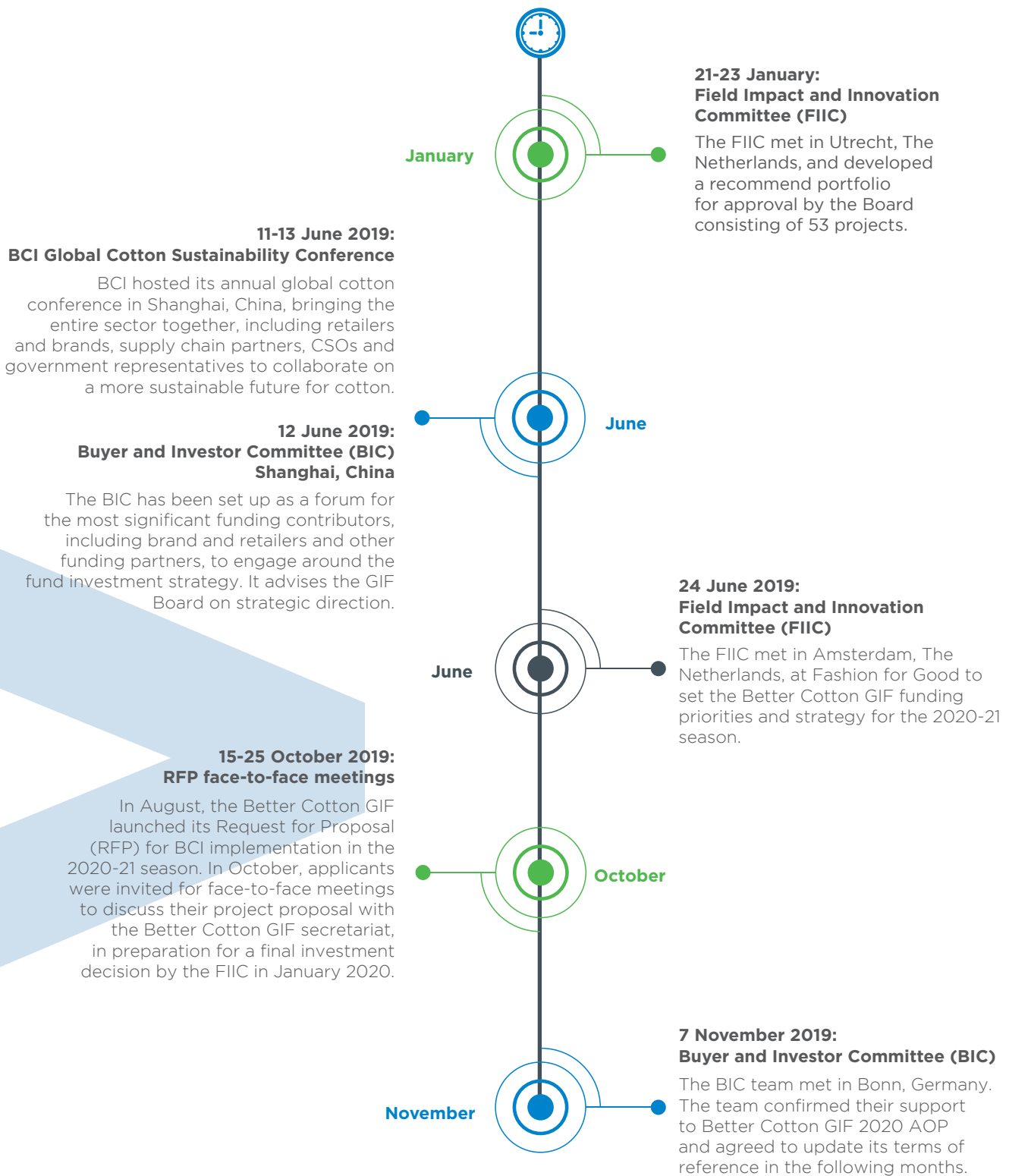
At the time of publishing this report, a jury composed of external experts, alongside BCI, IDH and Dalberg have selected the five finalists to move to the next phase of the Better Cotton Innovation Challenge on-ground trials. These field level tests are the opportunity for the finalists to trial their proposed solutions in real environment. Trials are taking place in India, Pakistan and Israel.

Once field level trials are completed, a new jury composed of IP representatives, BCI representatives, IDH representatives and Dalberg will assess the finalists and select the final winners based on: solution impact, technical performance, likelihood of adoption, scalability, financial sustainability and team capability.

Final winners will be announced by the end of October 2020!

The winner(s) will receive recognition, prize money (up to €135,000) and the potential to launch their innovation with over 2 million farmers.

Key Better Cotton GIF Meetings 2019



FIIC reviews and approves the Fund's annual investment strategy and all investment projects, for more effective and efficient implementation of the Better Cotton Standard System.

BIC provides the link between supply and demand, where Retailers and Brands propose and discuss new strategic initiatives to scale and implement the Better Cotton Standard System.

Impact of Gender Sensitisation Trainings at the Field Level

To promote gender equality within its programmes, IDH organised gender sensitisation trainings for its partners in India in 2018, including the BCI IPs (funded by the GIF) to train approximately 2,000 field-level workers who provide extension service to over a million farmers.

The workers who participated in the trainings were able to implement the lessons learned over the cotton season in 2019. The following narrative captures their experiences and highlights the field-level impact of the exercise.

A male Field Facilitator in Madhya Pradesh fights resistance to change



Shantilal Rathod is a Field Facilitator working with K.K. Fibers in Lohari, in Khargone, Madhya Pradesh. He has worked with 376 farmers in his operational area and has trained 193 female co-farmers.

“In my project area, there was a general perception of women being weaker than men.”

Shantilal Rathod

One of the participants in the gender sensitisation training, Shantilal has been able to translate his lessons learned to create gender training programmes for the farmers. While he was appreciated in the village for his efforts, initially he faced issues making the farmers understand the importance of discussing and recognising the role of women in farming.

He says, “In my project area, there was a general perception of women being weaker than men. While women played a limited role in decision making, there was also more emphasis on educating the son than the daughter. In view

of this, we prepared training programmes based on IDH's gender sensitisation trainings. This helped us in training farmers, women and labourers this season and make them aware about gender equality."

"At the field level, we faced challenges in some places, where we were questioned about the need for training, which can lead to familial disputes. Nevertheless, most farmers, women and labourers have appreciated our efforts and responded positively by actively participating in the gender training conducted by our team."

The efforts have started to show impact at the field level. Shantilal says, "Women and men are sitting together for combined training in our project areas. Earlier, very few women participated in training organised by the KK Fibers team, but they are now coming forward to take active part. We will use videos and success stories of our intervention on gender sensitisation to further encourage women farmers and create awareness on gender inclusion in our project."



A female farmer shares her story of transformation within her family



Shalu Shrikant Gaurkar is a female farmer in Yavatmal, Maharashtra. She has a total of eight members in her family and farms on 4.5 acres of land along with her husband. The 33-year old also does sewing work to support her family.

“We learnt how men and women are capable of performing the same tasks, but it is the village culture and traditional approach towards women which limits their role.”

Shalu Shrikant Gaurkar

Speaking about her experience, Shalu says, “My husband has been associated with the AFPRO project in Yavatmal for the last four years. I have always spoken to my husband about his participation in training and the benefits associated with participation in the BCI programme, but my engagement was limited as I used to be busy in household work and working on the farm.”

With learnings from the gender sensitisation training, the Field Facilitator and Project Unit Manager working in her project area

reached out to women farmers to explain the importance of being included in decision-making to them. A gender training session was also conducted in the area for the farmers to create awareness on contribution of women in farming and in household activities.

Shalu attended the training along with her husband. Sharing her experience, she says, “We learnt how men and women are capable of performing the same tasks, but it is the village culture and traditional approach towards women which limits their role.” She adds, “After attending the training, my husband includes me not only in farming activities, but also when we have to take decisions regarding farming or at domestic level.”

She continues “I have also started a small business of sewing ladies clothes, from which I get a monthly income of Rs. 1,200 to Rs. 1,500. I am happy to see that the social and traditional barriers are being broken today by coming together and creating awareness. A woman plays an important role in the economic development of the family if their efforts are nurtured equally.”

Annexure 1: FIIC and BIC Members

Buyer and Investor Committee (BIC) members	Field Innovation and Impact Committee (FIIC) members
BESTSELLER	Adidas
C&A	Better Cotton Initiative
Laudes Foundation	C&A
Decathlon	GIZ
Australian Government Department of Foreign Affairs and Trade (DFAT)	Laudes Foundation
Gap Inc.	IDH, The Sustainable Trade Initiative
H&M	Pesticide Action Network UK
IDH, The Sustainable Trade Initiative	
IKEA	
Levi Strauss & Co.	
Marks & Spencer	
Nike Inc.	
Tommy Hilfiger	

Annexure 2: Better Cotton GIF Summary 2019-20

	India	Pakistan	China	Mozambique	Mali	Turkey
No. of Implementing Partners	17	8	5	2	1	2
No. of Projects	26	17	5	3	1	2

Annexure 3: Better Cotton GIF Project-wide Summary 2019-20

INDIA

Project Name	Farmers	Area in (Ha)	Projected BC (MT)
ACF Gujarat	33,724	46,677	42,009
ACF Maharashtra	65,000	1,41,600	85,630
ACF Rajasthan	14,000	35,000	23,207
ACF Punjab & Rajasthan	56,000	80,000	53,300
AFPRO Gujarat	68,979	138,000	1,01,500
AFPRO Maharashtra	48,000	85,000	55,250
AKRSPI Gujarat	7,500	7,500	7,027
Arvind Ltd. Gujarat	19,000	45,000	37,350
Basil Commodities Gujarat	46,260	115,000	115,000
CottonConnect Gujarat	47,614	69,957	62,489
CottonConnect Maharashtra	172,618	187,909	132,251
Deshpande Foundation Telangana	80,000	121,600	79,040
DSC Gujarat	15,500	9,941	5,455
STAC-FARM Gujarat	28,714	55,120	53,505
K.K. Fibers Madhya Pradesh	25,009	43,800	30,660
Lupin Foundation Maharashtra	75,000	90,000	42,000
Mykaps Karnataka	7,107	6,246	2,167
PRDIS Andhra Pradesh	24,000	30,000	22,000
Spectrum Gujarat	15,559	39,398	45,754
Spectrum Maharashtra	14,084	28,308	22,293
STAC Gujarat	16,000	41,000	41,923
Udyansh Madhya Pradesh	15,014	15,500	6,900
WWF India Punjab	46,141	83,000	66,000
WWF India Maharashtra	36,591	36,610	25,500
WWF India Telangana	26,838	25,000	16,000
LD-Puneet Maharashtra	15,000	19,000	20,000
TOTAL	1,019,252	1,596,166	1,194,210

PAKISTAN

Project Name	Farmers	Area in (Ha)	Projected BC (MT)
CABI - Mirpur Khas (Sindh)	15,661	71,137	75,906
CABI - Matiari (Sindh)	15,050	42,460	45,306
CottonConnect - Nawabshah & Naushahro Feroze (Sindh)	20,587	60,588	59,870
Lok Sanjh - Bahawalnagar (Punjab)	50,002	112,504	80,500
Lok Sanjh - Toba Tek Singh, Faisalabad, Jhang, Khanewal (Punjab)	35,000	37,081	27,192
Lok Sanjh - Layyah (Punjab)	50,050	90,090	62,312
REEDS - Rahim Yar Khan (Punjab)	16,000	85,040	66,914
REEDS - Vehari (Punjab)	41,960	152,828	115,809
REEDS - Dadu, Jam Shoro (Punjab)	19,500	47,350	34,320
SWRDO - Rajanpur (Punjab)	28,440	95,614	75,636
WWF Pakistan - Khanewal, Sahiwal, Jhang (Punjab)	41,000	100,000	95,000
WWF Pakistan - Bahawalpur, Lodhran(Punjab)	40,562	110,000	95,000
WWF Pakistan - Multan (Punjab)	14,340	31,000	28,000
WWF Pakistan - Muzaffargarh (Punjab)	31,360	95,000	90,000
WWF Pakistan - Ghotki, Sukkur, Khairpur (Sindh)	29,856	120,000	110,000
Agriculture Extension Department - Rahim Yar Khan (Punjab)	24,540	65,000	70,000
Smart Agriculture - Lodhran (Punjab)	21,650	84,600	70,553
TOTAL	495,558	1,400,292	1,202,318

CHINA

Project Name	Farmers	Area in (Ha)	Projected BC (MT)
CottonConnect	20,604	97,175	200,000
Nongxi	39,000	54,260	73,250
Songzi	48,000	11,333	15,300
Zhongwang	620	10,000	21,000
Huangmei Cooperative	8,000	1,200	1,800
TOTAL	116,224	173,968	311,350

MOZAMBIQUE

Project Name	Farmers	Area in (Ha)	Projected BC (MT)
SanJFS	35,000	26,250	6,398
Sanam	50,000	40,000	20,000
TOTAL	85,000	66,250	26,298

MALI

Project Name	Farmers	Area in (Ha)	Projected BC (MT)
CMDT	87,287	297,000	320,760
TOTAL	87,287	297,000	320,760

TURKEY

Project Name	Farmers	Area in (Ha)	Projected BC (MT)
WWF Turkey	1,000	8,000	14,000
Canbel	2,600	19,807	47,476
TOTAL	3,600	27,807	61,476

The Better Cotton production, participating farmers, and area covered figures presented within this report are contracted figures for 2019-20 season. BCI will publish final season figures once the 2019-20 cotton season is complete.



BETTER
COTTON

**GROWTH &
INNOVATION
FUND**

