

Understanding the Delta Framework & the benefits of Aligned Impact Indicators in the Cotton Sector



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COTTON 2040

Laudes Foundation



Delta Framework





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- ❖ Why align on impact metrics?
- ❖ What initiatives exist?
- ❖ The role of Cotton 2040
- ❖ The Delta Framework
- ❖ What are the next steps?



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COTTON
2040

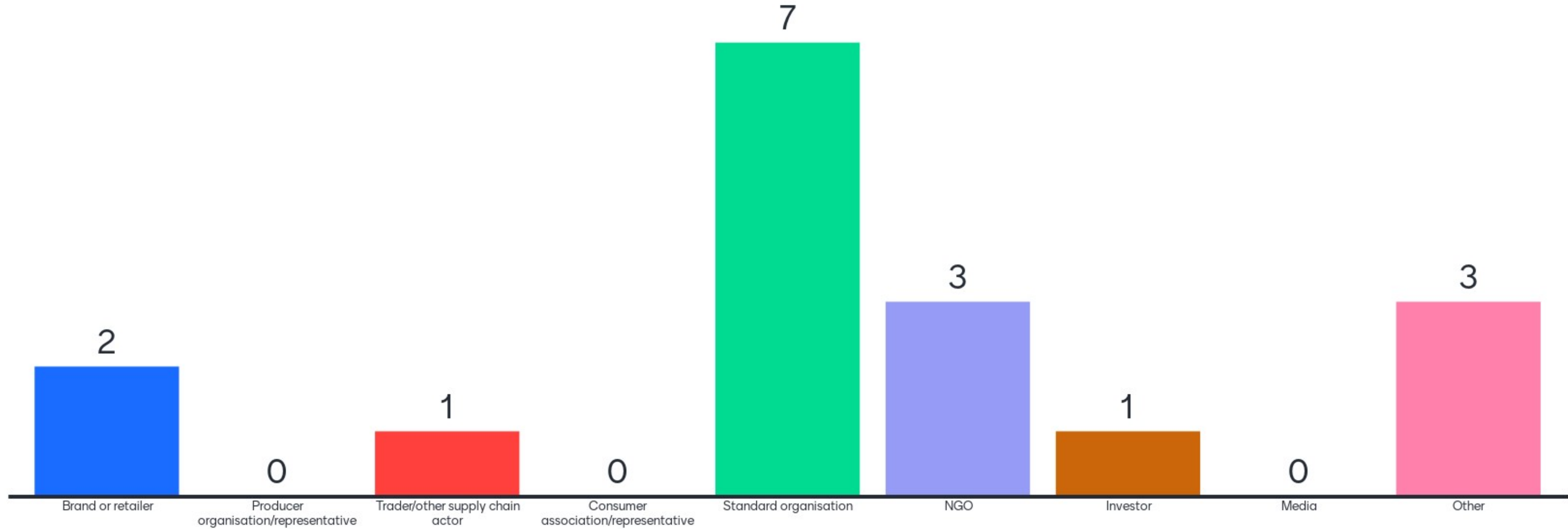
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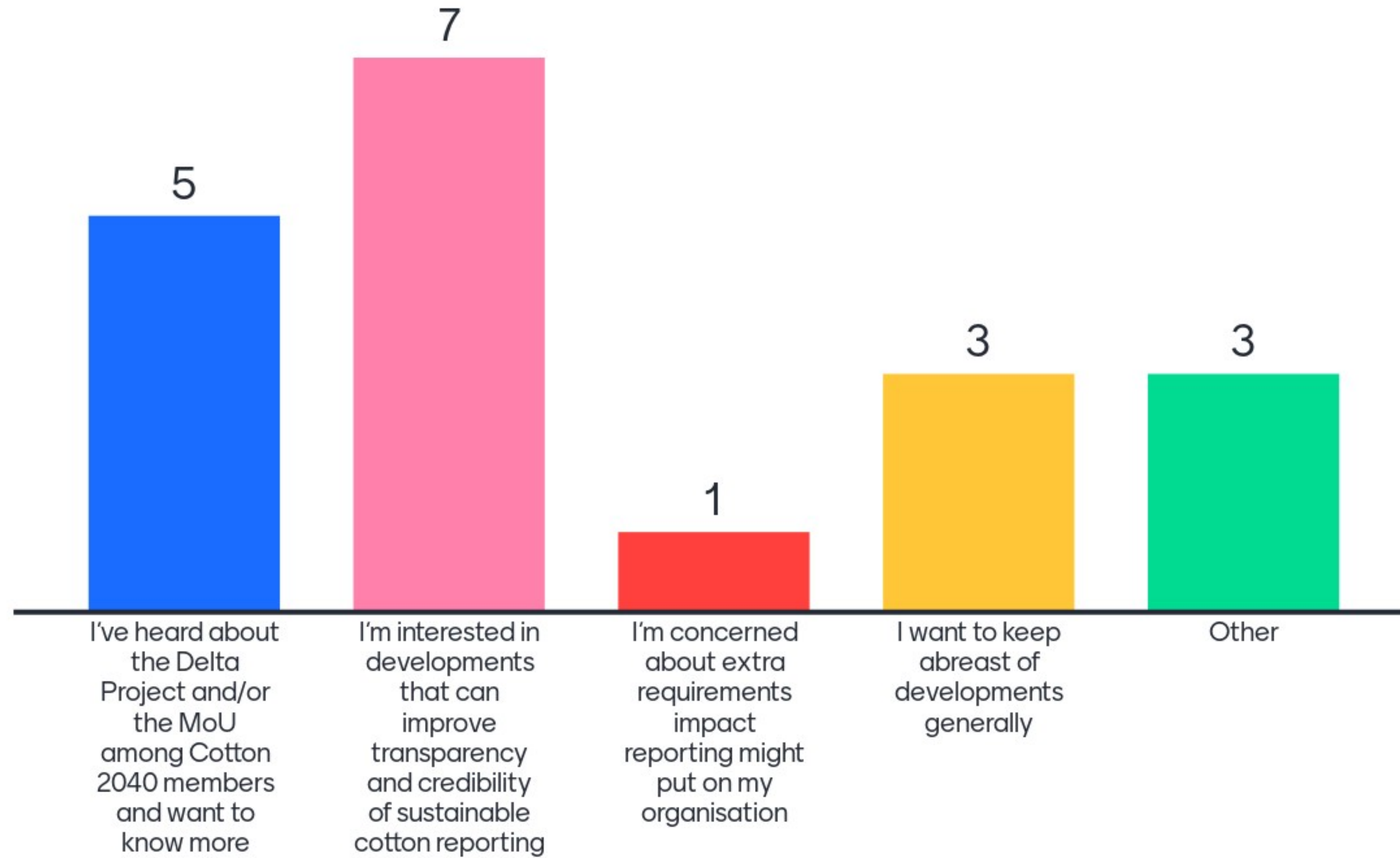
Delta
Framework



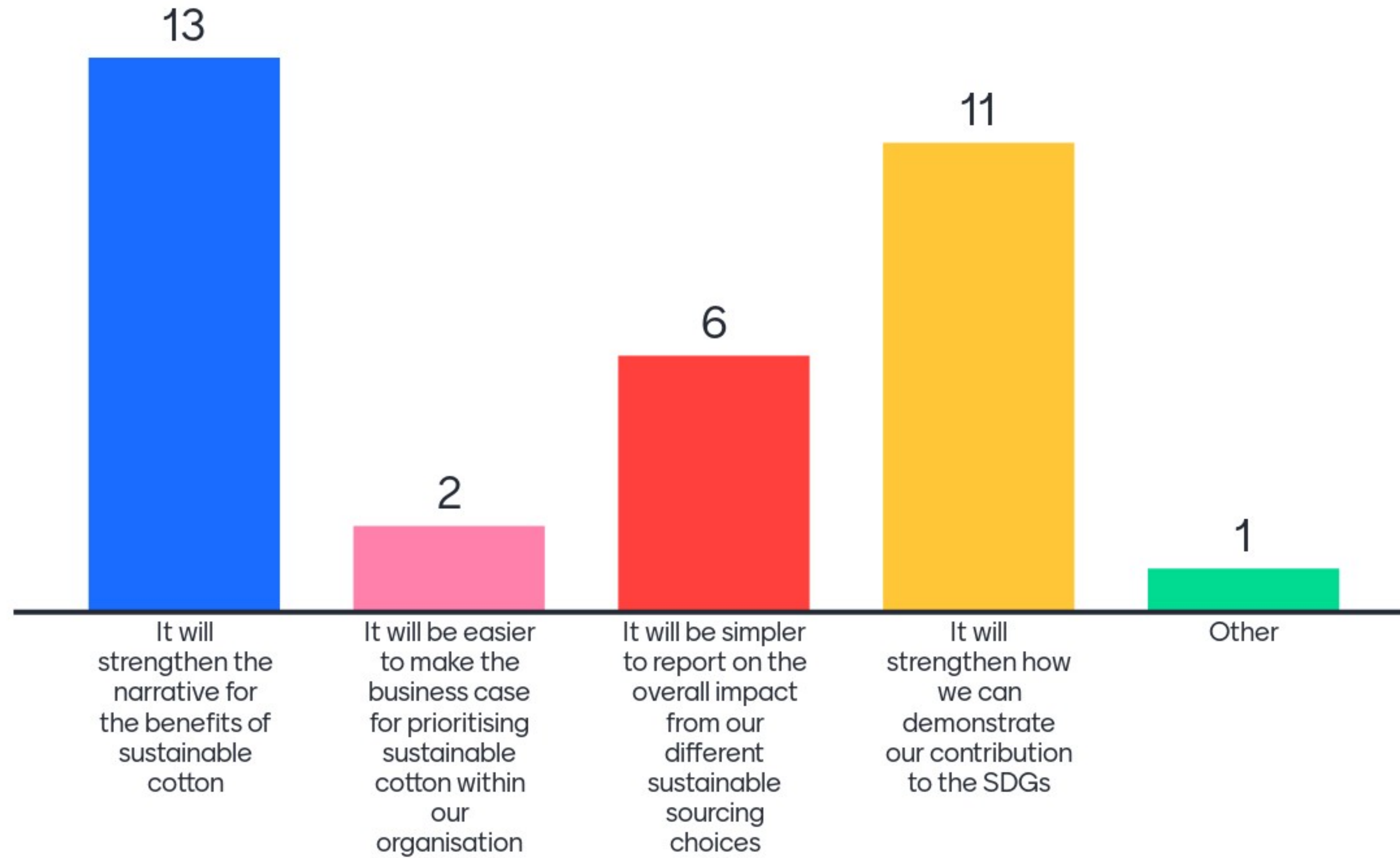
What type of organisation are you?



Why did you attend this webinar today? Choose the answer that best represents your view:



Why does it matter for you to get alignment on impact metrics across cotton standards? Select all that apply:





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



5 ALIGNMENT ON SUPPLY CHAIN

Supply Chain Mapping table 5B

- Common terminology → Tiers - SAC or other org
- Agree on production protocol/standards.
- Connect common facility ID# (OAR) to common tier/production definitions (ie OECD definitions)
- Use converged industry tools to measure enviro (Higg) and social/labor (SLCP) performance + have common definition of impact/risks
- BCI to use one of the common terminology (e.g. BCI)
- alignment of standards on common terminology in traceability systems
- The^{es} Accountability Framework Initiative (?)



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





Cotton 2040

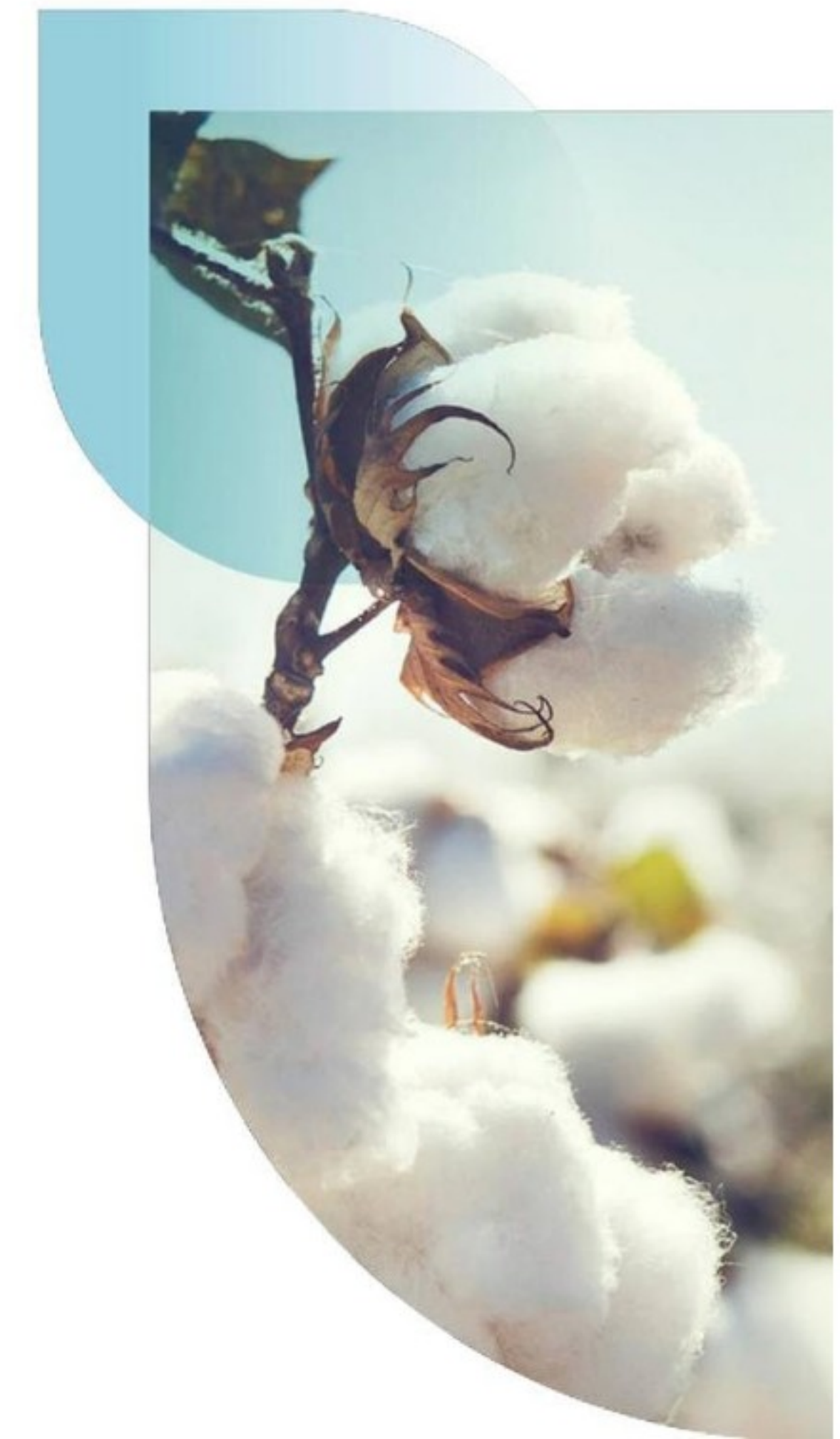
Cotton 2040 is a pre-competitive multi-stakeholder initiative to support the shift to a sustainable global cotton industry, which

- 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,

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COTTONUP 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.



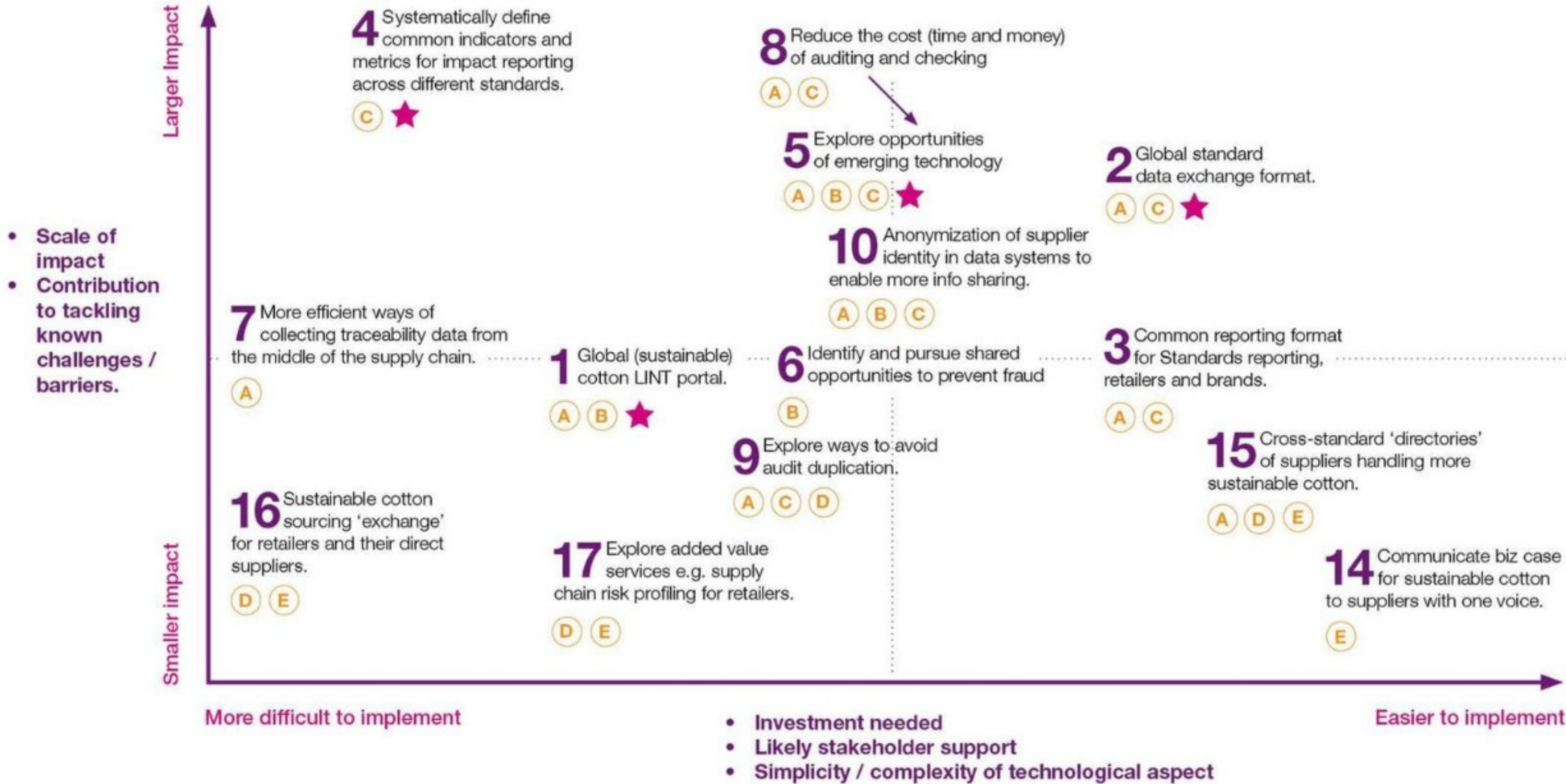
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Improving supply chain transparency, traceability and impact data: options from research



We prioritized potential solutions by impact and ease of implementation



★ Proposed next activities

Mechanisms and Governance

11 Collaborate to communicate shared message(s) from standards, brands and retailers to middle of supply chain
E

12 Collaboration mechanism for co-ordinating data handling efficiency improvement efforts for all supply chain actors from farmers to customers.
A, E ★

13 Establish umbrella organisation (e.g. 'Sustainable Cotton Alliance')
E



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

| | Common interest | Common metrics | Commitment to align |
|----------------------------------|-----------------|----------------|---------------------|
| Farm & contextual info | Light Green | Light Orange | Light Orange |
| Production & inputs | Dark Green | Light Green | Light Orange |
| Activities & changes in practice | Light Green | Light Orange | Red |
| Outcomes | Light Orange | Light Orange | Red |



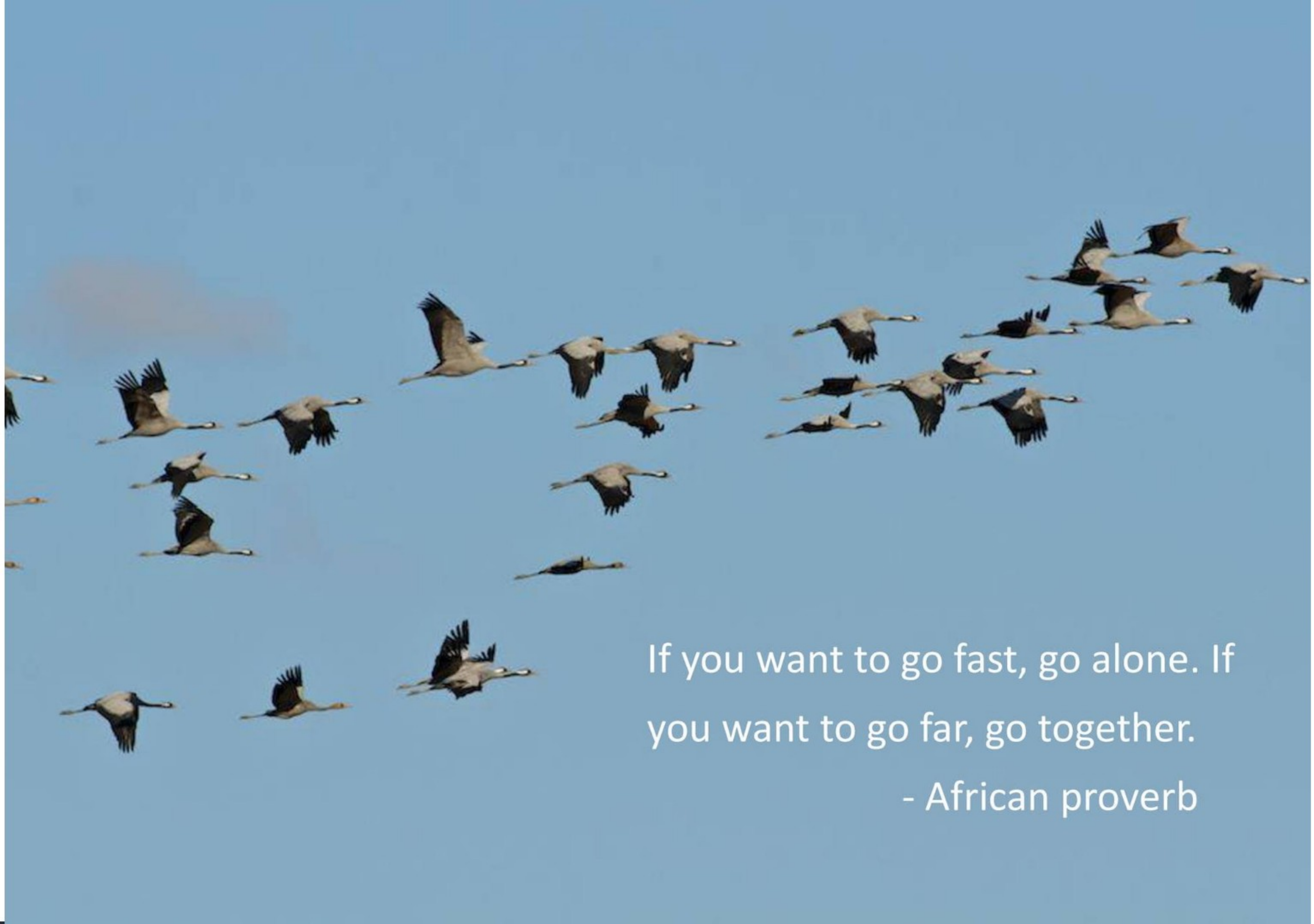
The collaboration process

- 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

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If you want to go fast, go alone. If
you want to go far, go together.

- African proverb



Delta Project & Delta Framework





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

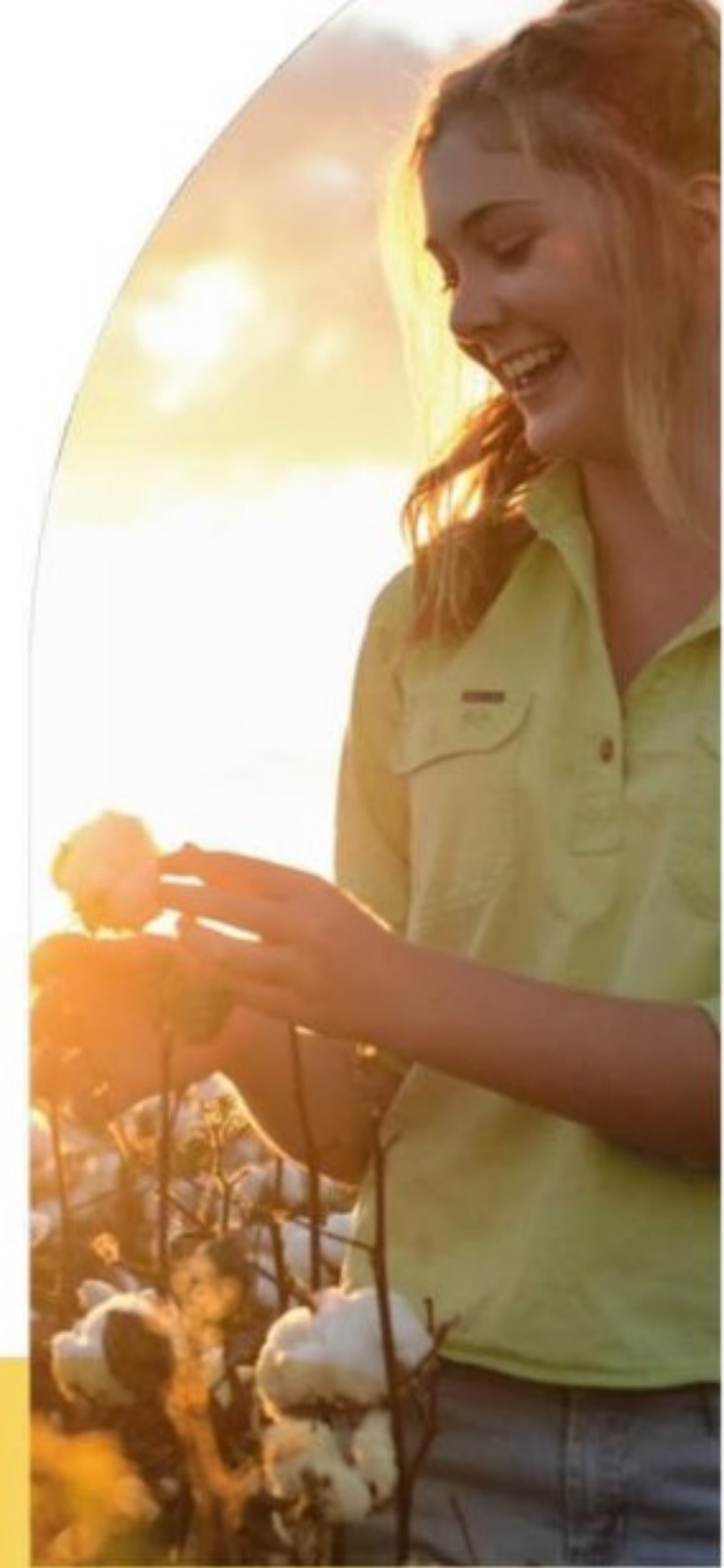




Delta Project Objectives & Value proposition

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

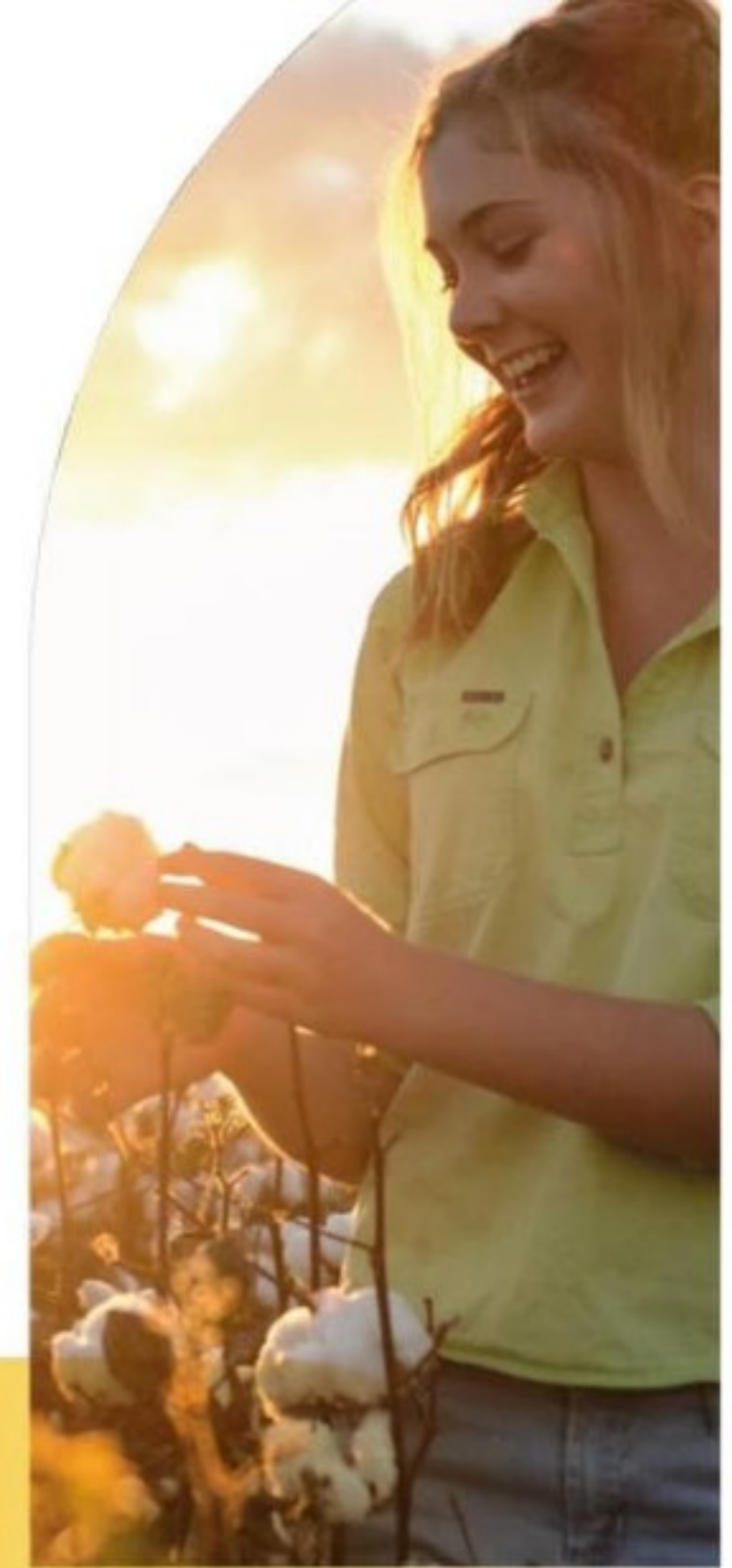
- **2. Link sustainability performance to business actors and governments:** method and guidance
 - *For companies & private sector: standardised sustainability information to customers/stakeholders, simplified data consolidation, consistent data collection*
 - *For government & public sector: SDG commitments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



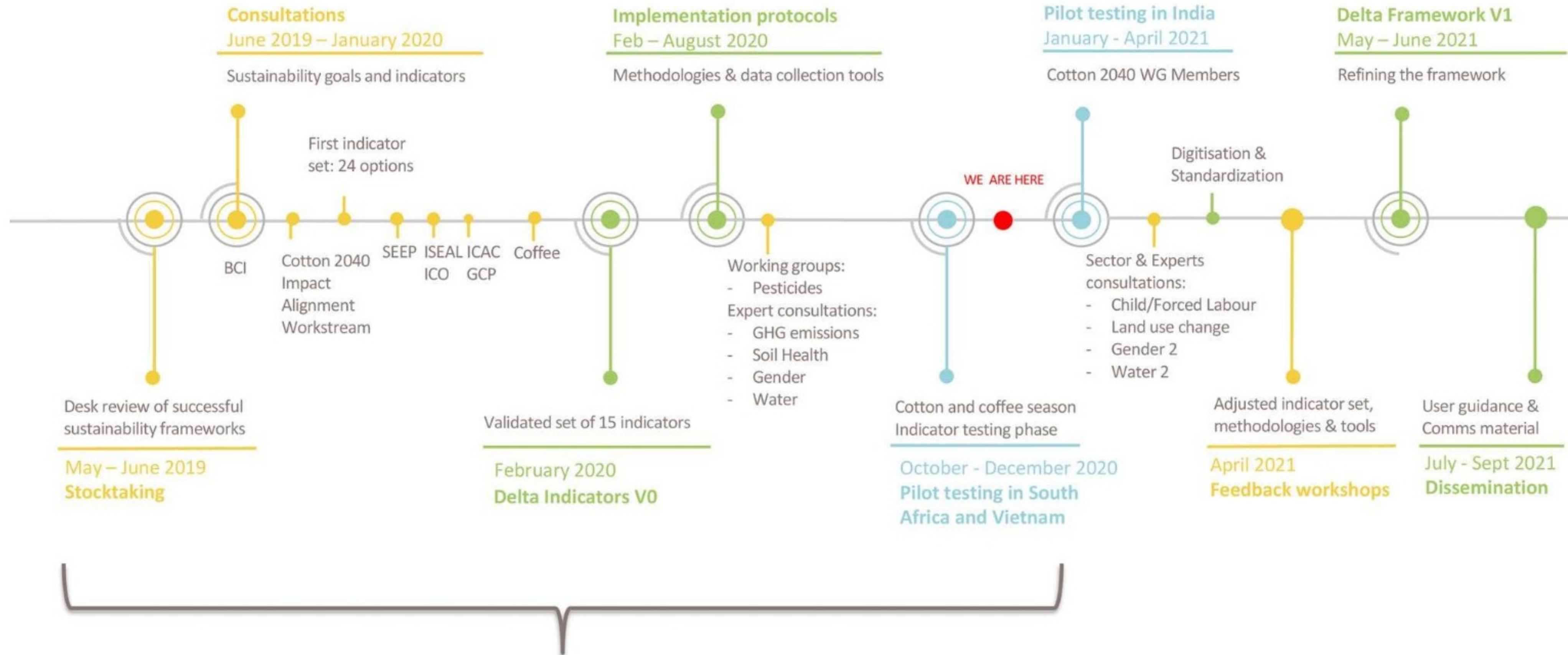


Delta Project Objectives & Value proposition

- **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





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:

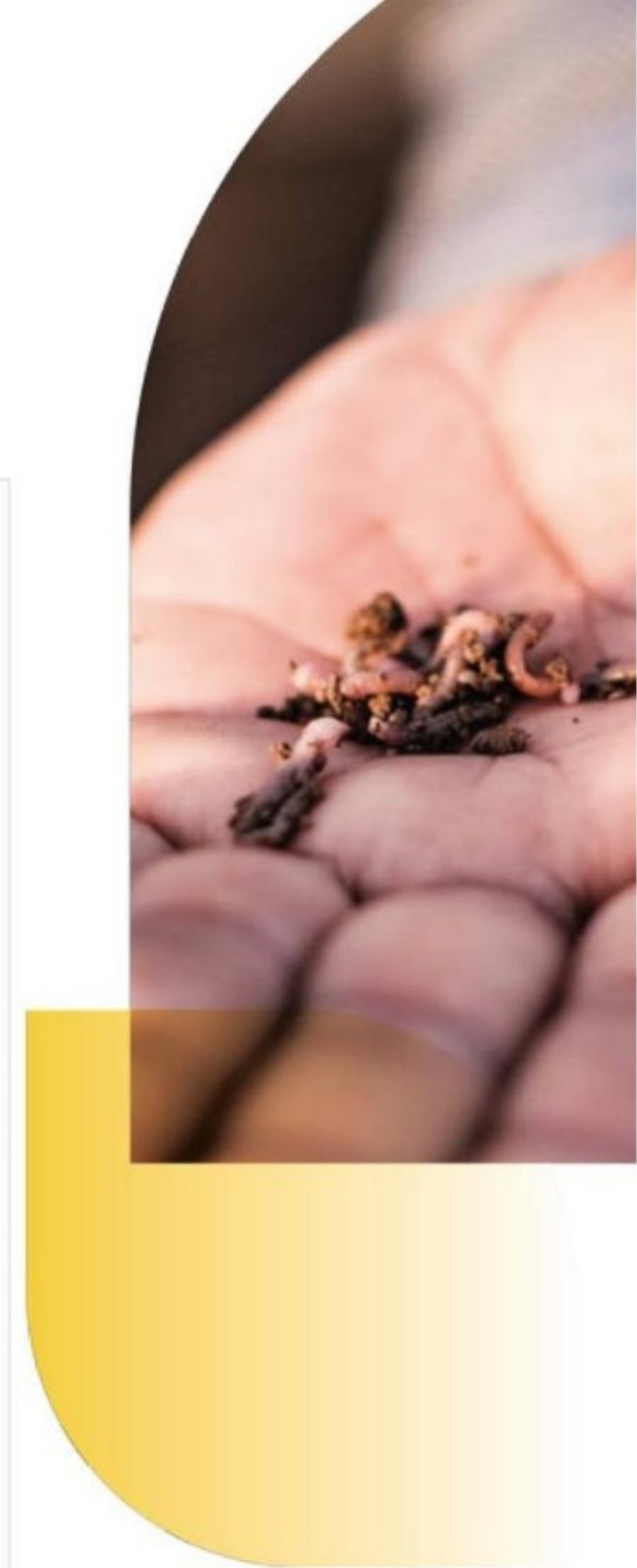




Delta Sustainability Indicators

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:

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





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



Delta Sustainability Indicators Economic dimension



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: dally 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

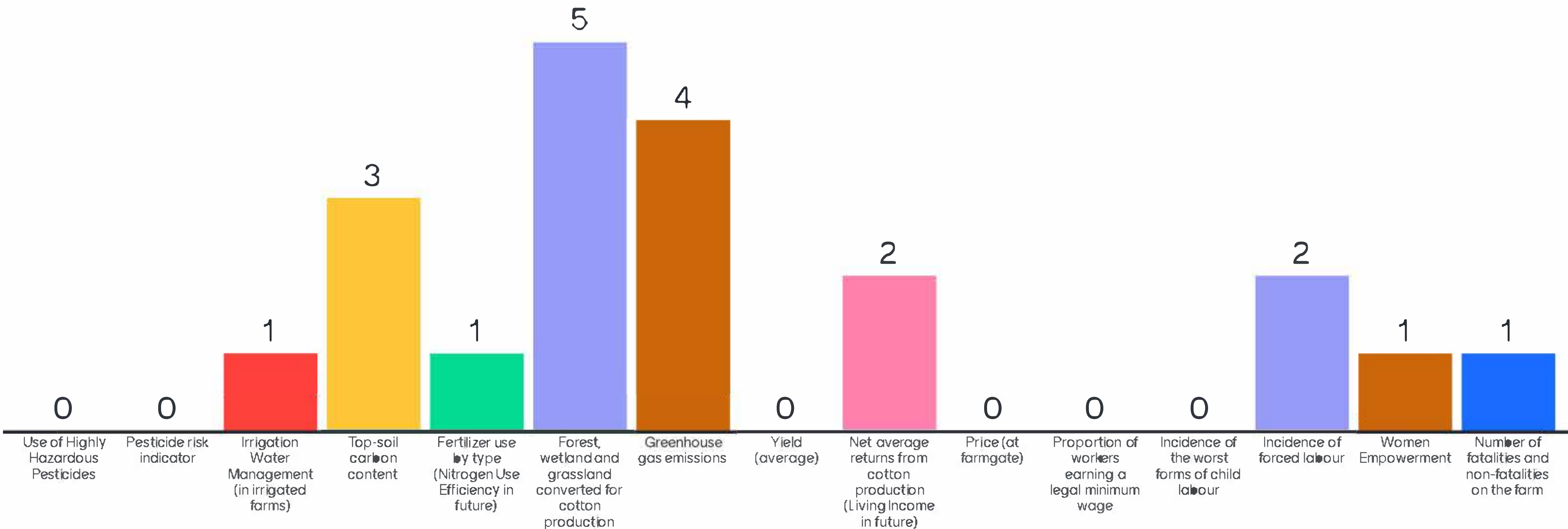
14 Women empowerment

Composite indicator

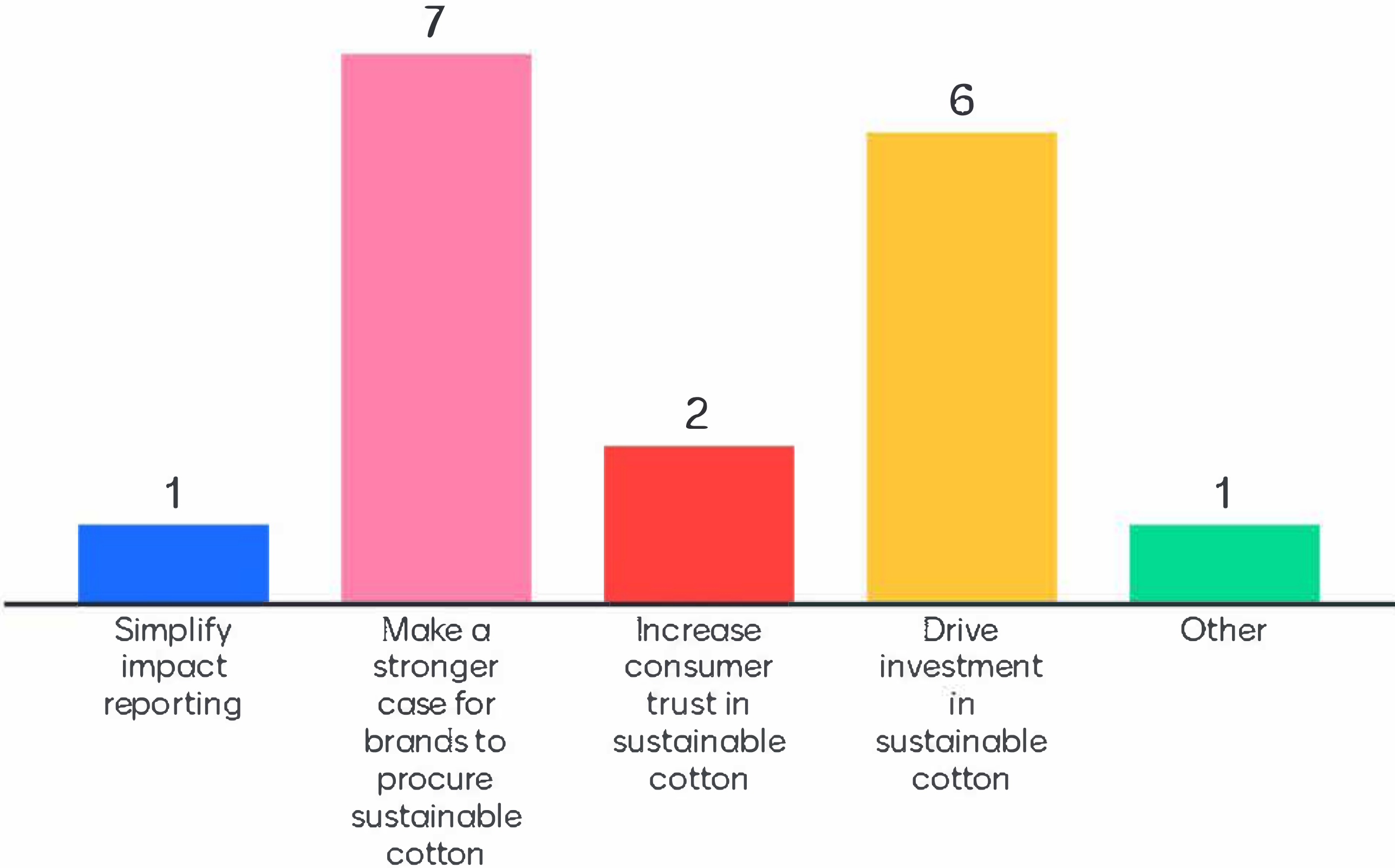
15 Number of fatalities and non-fatalities on the farm

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?

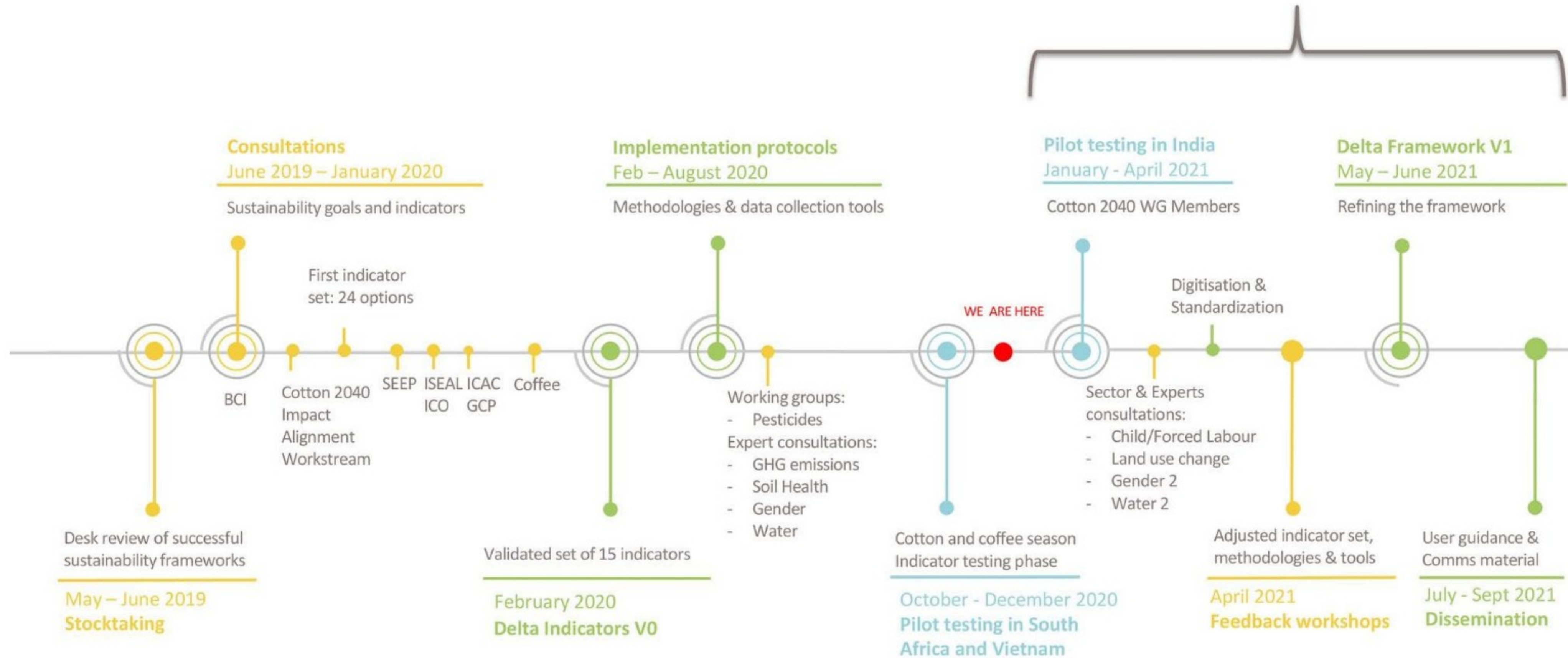




Next steps in alignment & Future of Delta Framework



Delta Framework Next steps





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?



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