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BCI Assurance Manual for licensees

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BCI Assurance Manual for licensees

This document sets out the main requirements for Better Cotton Initiative (BCI) licensees that have not yet transitioned to certification and their related stakeholders. It is intended to be a reference manual for Programme partners, Producers, BCI staff, and third-party verifiers, to ensure consistent implementation of BCI licensing. This licensing model is applicable with the [BCI Principles and Criteria](#).

Glossary of Key Terms

Activities and Monitoring plan

A plan required to be maintained by Producer Unit managers to plan activities and monitor their effectiveness across the Producer Unit in relation to compliance with the [BCI Principles and Criteria](#) and continuous improvement targets.

Annual Authorised Volume (AAV) Code

The AAV code is a unique number generated by BCI for licensed Producers (Large Farms or Producer Units). AAV codes allow gins buying from licensed BCI Farmers to enter purchases of seed BCI Cotton into the BCI Platform (BCP) and allocate the volumes back to the corresponding Producer.

BCI Cotton

BCI Cotton is cotton that has been produced by licensed BCI Farmers, or by farmers licensed under a recognised equivalent standard. Licensed BCI farmers have been assessed as compliant with the P&C Indicators of the [BCI Principles and Criteria](#) (P&C) and have fulfilled the Licensing Requirements outlined in the BCI assurance model. Farmers licensed to sell BCI Cotton produce cotton in a way that cares for people and the environment, ensuring decent work conditions for workers and caring for water, soil health and natural habitats.

BCI Platform (BCP)

The BCI Platform is the online system for tracking purchases/sales of BCI Cotton and associated BCI Cotton Claim Units (BCCUs). BCCUs are designated units that correspond to 1 kg of BCI Cotton lint produced from seed BCI Cotton. The BCP is used by BCI and registered supply chain organisations that are buying, selling, or sourcing BCI Cotton products. It enables suppliers and manufacturers to report to their customers how much BCI Cotton lint was sourced through the sale of a physical product.

Corrective Action Plan (CAP)

A Corrective Action Plan is a document completed by the Producer outlining remediation steps for any incidental or systemic non-conformity identified during an assessment. The CAP is

completed by the Large Farm Manager or Producer Unit Manager (with support from the Programme Partner), using a standard template from BCI.

P&C Indicators

P&C Indicators are specific requirements under each Criteria against which Producers are assessed for compliance before they can be licensed to sell BCI Cotton. They define a globally consistent baseline for more sustainable cotton production.

Field Facilitator (FF)

Field Facilitators are part of the management structure for BCI Producer Units. They are trained field-based staff who help organise farmers, collect farm level data and carry out capacity strengthening activities in farming communities. Field Facilitators are typically employed by either Programme Partners or their affiliated Local Partners.

Programme Partner (PP)

BCI's Programme Partners are organisations with local expertise who oversee the set-up and management of Producer Units under the assurance model. Programme Partners assume full responsibility for project delivery at the field level, including establishing the management structure of Producer Units, recruiting and training Producer Unit Managers/Field Facilitators, and providing Producer Units with ongoing oversight and support, including regular field-level engagement.

Labour Monitoring and Remediation System

A system created and maintained by a Producer Unit Manager or large farm management to regularly monitor risks and incidents of labour rights violations. It includes defining responsibilities and taking prompt actions to address risks identified and prevent their escalation.

Large Farm (LF)

Large Farms (LF) are defined as farms with a size typically above 200 hectares of cotton which either have mechanised production or are structurally dependent on permanent hired labour. LFs participate with BCI on an individual basis or (in some contexts) through a Large Farm Group Coordination Model (refer to [Annex B](#)).

Learning Group (LG)

A Learning Group is a group of BCI Farmers who gather together to participate in training and learning activities on more sustainable production practices. All Smallholder Producer Units are divided into Learning Groups of approximately 35 farmers, managed by a Field Facilitator to help enable learning. Typically, each Field Facilitator in a Smallholder Producer Unit will work with about 10 Learning Groups, or 350 farmers at a maximum.

Licensing Date

The Licensing date is the seasonal date at which the administrative process of licensing is conducted for any Producer with an active licence. This includes issuing Annual Authorised Volume (AAV) codes or updating volume inventories in the BCI Platform, so that buyers of BCI Cotton can enter their purchases into the BCI Platform and receive BCI Cotton Claim Units (BCCUs) to pass through the supply chain. The Licensing date is determined on a country or regional basis and is typically around the start of harvest.

Licensing Management Partners (LMPs) & Licensing Support Partners (LSPs)

Licensing Management Partners and the nominated Licensing Support Partners work directly with interested cotton producers within the Large Farm Group Coordination Model to successfully support them in attaining and maintaining a license to sell BCI Cotton under the BCI Standard System (BCISS).

Medium Farms (MF)

Under the BCI Standard System, Medium Farms (MF) are defined as farms with a farm size typically between 20 to 200 hectares of cotton which usually are structurally dependent on permanent hired labour. MFs are grouped into Producer Units for licensing purposes.

New Producer Unit (PU)

A new Producer Unit (PU) refers to a group of farmers being organised to participate in the BCI programme for the first time. New PUs are required to fulfil specific requirements under the set-up phase before they are eligible to be assessed for licensing. Existing PUs that undergo changes to the farmer composition or management system (i.e. new PU Manager, restructured

PU, or change in PP management) are not considered new PUs under this definition. Existing PUs where more than 33% of farmers are new for a given season are not considered new PUs; however, they receive a Surveillance Assessment to maintain the licence.

Producer

Under the BCI Standard System, the Producer defines the unit of licensing and can be either a Producer Unit for Smallholders (SH) or Medium Farms (MF) or an individual farm in the case of Large Farms (LF).

Producer Unit (PU)

A Producer Unit (PU) is a group of Smallholders (SH) or Medium Farms (MF) who are organised together under a common management structure to participate in the BCI Programme. Each PU is overseen by a dedicated PU Manager who is responsible for implementing an internal management system to support, train and monitor farmers across the PU. The size of a PU depends on local circumstances, although the optimal size is between 3,500 to 4,000 farmers for a SH PU and around 100 farmers for a MF PU. Farmers in a SH PU are further divided into Learning Groups.

Producer Unit Manager (PUM)

The main individual responsible for implementation of the [BCI Principles and Criteria](#) at the Producer Unit level.

Results Indicator (RI) reporting

Results Indicator (RI) reporting is the annual collection of environmental, economic, and social data from a representative sample of Smallholder farmers, and from all Medium and Large Farms. Results Indicators quantitatively measure differences between licensed BCI Farmers and other farmers in the same geographic area who are not participating in the BCI Programme. RI reporting is fully integrated into the assurance model as a licensing requirement to ensure that sustainability improvements are adequately measured everywhere BCI Cotton is produced.

Smallholders (SH)

Under the BCI Standard System, Smallholders (SH) are defined as farms with a farm size typically not exceeding 20 hectares of cotton which are not structurally dependent on permanent hired labour. SH are grouped into Producer Units for licensing purposes.

1. Introduction

1.1 About the BCI Licensing Model

All Producers going through their first audit to the [BCI Principles and Criteria](#) from 2025 onwards will be certified under the [P&C Monitoring and Certification Requirements](#). For Producers with current licenses, they will transition to certification at the latest when their license expires. During the years of 2025, 2026 and 2027 a Producer having either a valid BCI license, or valid certification to the [BCI Principles and Criteria](#) can allow them to trade certified BCI Cotton and be issued volumes in the BCI platform. For these licensees and the stakeholders related to them the requirements in this document shall be followed until the season they transition to certification.

In the season of transition between licensing and certification licenses may be extended in order to allow certification processes to progress without need for permission to trade to be awarded ahead of the date that BCI Cotton volumes are released in the region.

The assurance model is a critical component of the BCI Standard System, which aims to improve livelihoods and economic development in cotton-producing areas and reduce the environmental impact of cotton production. The assurance model provides a roadmap for participating Producers to progress from baseline performance, to meeting the P&C Indicators, and eventually achieving long-term improvement goals.

The main objectives of the assurance model are to:

1. Verify that cotton Producers have met the P&C Indicators of the BCI Principles and Criteria before they are licensed to sell BCI Cotton.
2. Provide a framework to ensure that BCI Producers – once licensed – continue to make progress against their continuous improvement priorities and receive adequate capacity strengthening support
3. Create channels for ongoing learning, through sharing information back to Producers (and Programme Partners, if applicable) to identify improvement opportunities or compliance gaps
4. Measure the sustainability performance of BCI Producers, and overall programme impacts, through regular collection of field-level (Results Indicator) data.

BCI's approach to assurance is unique from many other standard systems in two regards. First, it aims to balance credibility with scalability and cost-effectiveness, through combining third-party verifier assessments with other types of assessments. BCI's approach combines third-party visits with licensing assessments by BCI Country Teams, support visits by Programme Partners (PPs), and regular self-assessments by Producers themselves.

Second, the assurance model puts a strong emphasis on capacity strengthening and continuous improvement. Producers are required to make ongoing sustainability improvements in order to maintain their licence, and assessments focus not only on compliance but also on identifying areas where further support or capacity strengthening is needed.

1.2 Producers Under the BCI Assurance Model

Under the BCI Standard System, farms are differentiated into three categories based on the production methods and workforces they use:

- Smallholders (SH): Farmers who are not structurally dependent on permanent hired labour, and whose farm size does not exceed 20 ha of cotton.
- Medium Farms (MF): Farmers who are structurally dependent on permanent hired labour, and whose farm size is between 20 to 200 ha of cotton.
- Large Farms (LF): Farmers who have a farm size above 200 ha of cotton, and either have mechanised production, or are structurally dependent on permanent hired labour.

Smallholders and Medium Farms are grouped into Producer Units (PUs) and are licensed to sell BCI Cotton at the PU level.

Maximum size: for Smallholder PUs, a maximum of 7000 farmers¹ can be included in the PU; however, the optimal size (depending on local circumstances) is around 3,500 farmers. For Medium Farm PUs, there is no maximum size; however, the recommended number of farmers is around 100.

Farmers in a Smallholder PU are further divided into Learning Groups (LGs) of approximately 35 farmers (with a Lead Farmer in each one) managed by a Field Facilitator (FF) to help facilitate learning. Typically, each FF in a Smallholder PU will work with about 10 Learning Groups, or 350 farmers at a maximum. This helps to ensure the FF can have regular contact and visits with each farmer.

Some Large Farms participate with BCI on an individual basis, while others are engaged through a Large Farm Group Coordination Model.² Under the Large farm Group Coordination Model, farms join together with other local farmers under the guidance of a designated Licensing Management Partner. In both cases, Large Farms are licensed to sell BCI Cotton on an individual farm basis.

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

¹ This absolute maximum of farmers (twice the recommended guidance) was introduced in January 2021 and becomes effective for the 2021-22 season.

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. More details around the Large Farm Group Coordination Model can be found in [Annex B](#).

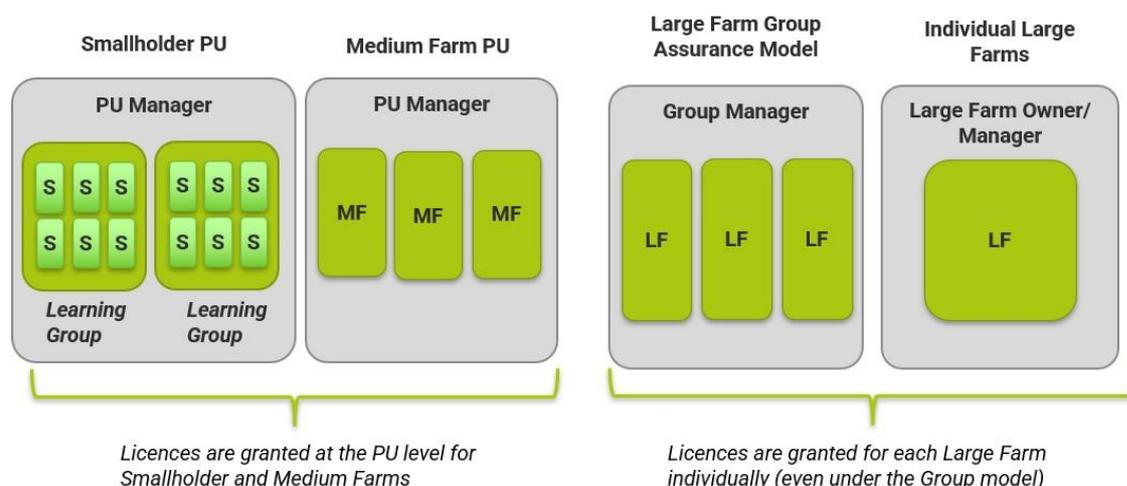


Figure 1: Producers under the BCI Standard System.

1.3 Supporting documents

Supporting documents, including assessment reporting templates, assessment guidance tools, approval procedures for verifiers, and the BCI appeals process, are available on the [Assurance page](#) of the BCI website.

1.4 Stakeholder Roles

The roles of key stakeholders in the assurance model are set out below:

Stakeholder	Role in Assurance Model
Farmer	<p>Farmers categorised as Smallholders and Medium Farms participate in trainings and awareness-raising activities organised by the Producer Unit. Farmers are expected to apply learnings in order to adopt more sustainable farming practices. Farmers are also responsible for maintaining farm level data on inputs and outputs, to enable the PU to track progress and understand impacts.</p> <p>Farms categorised as Large Farms are responsible for ensuring they meet the P&C Indicators before achieving a licence to sell BCI Cotton. This includes setting continual improvement targets and monitoring their progress against them.</p>
Field Facilitator (FF) [PUs only]	See glossary

Stakeholder	Role in Assurance Model
Producer Unit (PU) Manager <i>[PUs only]</i>	See glossary The PU Manager identifies areas where farmers require improvement or support and supports Field Facilitators in working with farmers and workers. The PU Manager is responsible for the following key areas (with support from the PP): <ul style="list-style-type: none"> • Development of training material and training plans • Strengthening the capacity of Field Facilitators • Development and implementation of the Activities and Monitoring plan and continuous improvement targets (with other stakeholder engagement,) • Development and implementation of the Labour Monitoring and Remediation System • Development and implementation of an internal management system (IMS); for monitoring training efficacy, practice adoption, and data collection • Completion of annual internal assessment and self-assessment Development and implementation of Corrective Action Plans
Programme Partner (PP) <i>[PUs only]</i>	See glossary PP representatives are also responsible for supporting and strengthening the capacity of PU Managers and Field Facilitators, supporting PUs in the identification of Continuous Improvement priorities, and monitoring PU performance through Readiness Checks and Support Visits.
Licensing Management Partner	See glossary
Local Partner <i>[PUs only]</i>	Some PPs may delegate specific field-level implementation activities to Local Partners. Local Partners are typically entities with a strong field presence and technical expertise relevant to the geographical area. Local Partners are overseen by the associated PP, and the PP is accountable for ensuring the efficacy of the Local Partner through ongoing monitoring and engagement.
BCI Country Team	Each BCI Country Team has Programme Officers and Coordinators responsible for the implementation of activities and protocols in the assurance model. ³ BCI Country Teams conduct Licensing and Surveillance Assessments, maintain communication with Programme Partners and PU Managers, and support BCI Assurance Manager(s) with licensing recommendations.
Third-party Verifiers (3PV)	Third-party verifiers (3PVs) are independent parties approved by BCI to carry out Licensing and Surveillance Assessments in specific countries.

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

Stakeholder	Role in Assurance Model
	3PVs must complete training and approval requirements defined by BCI; available on the Assurance website .
Assurance Managers	BCI Assurance Managers are responsible for the planning, execution and reporting of the assurance model in all countries. They oversee the operational delivery of the Global Assurance Team, consisting of Programme Officers and Coordinators within Country Teams. Assurance Managers are responsible for all final Producer licensing decisions (based on recommendations and evidence provided by third-party verifiers or Country Teams). Assurance Managers also oversee the <i>Terms of Reference</i> and membership for the Appeals Committee and coordinate the process for any appeals against a licensing decision. Refer to the Assurance website .
Appeals Committee	The Appeals Committee is responsible for providing objective, consistent, and evidence-based decisions for Producers appealing a licensing decision. The Appeals Committee is composed of BCI Country Managers and selected third-party verifiers or independent consultants. Members of the committee are selected based on local knowledge and availability. Refer to the Appeals Procedure on the Assurance website .

Table 1: Roles of stakeholders in Assurance model.

1.4 Overview of Licensing Requirements

To be licensed to sell BCI Cotton, Producers must fulfil the following requirements:

1. Comply with all with P&C Indicators of the [BCI Principles & Criteria](#)
2. Submit an annual self-assessment survey on Producer practices.
3. Submit annual Results Indicators (RI) reporting data on field-level practices as required in the Farm Data Requirement document.
4. Demonstrate continuous improvement through achieving more sustainable practices over time.

The fixed nature of the P&C Indicators ensures that all licensed Producers reach a globally consistent baseline in sustainable cotton production and make progress on continuous improvement towards more sustainable practices over time. Regular RI reporting enables BCI and its partners to monitor and learn from field-level results.

BCI Principles and Criteria – P&C indicators

The [BCI Principles and Criteria](#) include 6 Principles covering the most significant global sustainability issues associated with cotton production:

- Principle 1: Management
- Principle 2: Natural resources
- Principle 3: Crop Protection
- Principle 4: Fiber Quality
- Principle 5: Decent Work
- Principle 6: Sustainable livelihoods

The 6 BCI Principles are further defined through 28 criteria and a subset of 76 indicators. Criteria are applicable to all Producer categories, while indicators are differentiated for Smallholders, Medium Farms, and Large Farms. Producers must comply with all indicators (applicable for their Producer category) to be licensed to sell BCI Cotton.

Indicators under criterion 1.3 require demonstrable continuous improvements to ensure over time progress is made in order for Producers to obtain or keep their BCI license.

Results Indicators (RI) reporting

While complying with the P&C Indicators from the [BCI Principles and Criteria](#), all Producers must report farm-level data on inputs, outputs and practices, as specified in the Results Indicators procedure available on the [M&E page](#) of the BCI website. This ensures that sustainability improvements are measured everywhere BCI projects are implemented. It is important to emphasise that this requirement focuses on the reporting of data, not the content of that data. The content of Results Indicator (RI) data and any trends/impacts revealed are used for learning processes only and are not a basis for disqualifying Producers or cancelling licences. RI data must be collected and reported every season in order to maintain a licence. Reporting is done at Producer Unit level in the case of Smallholders or at individual farm level in the case of Medium and Large Farms.

For details on what is required in the Results Indicator Reporting, the Farm Data Requirements can be found [here](#).

Overview of Assurance Requirements

To verify that Producers meet the P&C Indicators and continue to make continuous improvements in sustainability, the assurance model uses a combination of self-assessment, external (licensing) assessments, and support visits by Programme Partners (for PUs only).

Table 2 below summarises the assurance requirements for each Producer type. Note that specific requirements for the Large Farm Coordination Model are found in [Annex B](#).

Producer type	Requirements during active licence period
PU (Smallholder or Medium Farms)	<ul style="list-style-type: none"> • Correct any incidental non-conformities from Licensing Assessment (if relevant) • Complete annual self-assessment • Submit annual Results Indicator data as required • PU Support Visit in Year 2 or 3 of active licence • [For sample of PUs only] receive Surveillance Assessment in Year 2 or 3
Large Farm (individual)	<ul style="list-style-type: none"> • Correct any incidental non-conformities from Licensing Assessment (if relevant) • Submit annual Results Indicator data • Complete annual self-assessment

Table 2: Assurance Requirements by Producer Type.

2. Producer Requirements

This section covers individually licensed Large Farms. Refer to [Annex B](#) for more information on Large Farms under the Large Farm Group Coordination Model.

2.1 Initial licensing

2.1.1 Initial licensing is no longer available. Farms that wish to participate in the BCI programme need to apply for certification as outlined in the [P&C Monitoring and Certification Requirements](#).

2.2 Active License Period

2.2.1 During the 3-year active licence period, producers are expected to fulfil annual requirements (see 12. Active Licence Period) to maintain the licence.

2.2.2 If the Producer does not meet the annual requirements, the licence is cancelled (see 14.1 Licence Cancellation).

2.2.2.1 During the second or third year of the active licence period, all PUs receive a PU Support Visit by the PP, and a sample of PUs also receive a Surveillance Assessment (by BCI assessors or a 3PV) during the second or third year of their active license.

2.3 License renewal

2.3.1 It is no longer possible to renew licenses, at the end of a 3-year active license period the producer needs to transition to certification as per the [P&C Monitoring and Certification Requirements](#).

2.4 Change in producer Status or Contracts

2.4.1 Any changes in the status of the producer which might affect its participation with BCI, or any changes in the contact details, should be communicated to the BCI Team within 10 working days of the change occurring.

3. Overview of Assessment Types

The assurance model includes different forms of assessment to support Producers in making improvements and to verify their compliance with P&C Indicators.

Assessment Type	Conducted by	Key Objective	Frequency and Timing
Self-assessment	PU/LF Manager	<p><i>LFs due for licensing (part 1):</i> assess readiness for assessment</p> <p><i>Other Producers:</i> Ensure that Producer self-monitoring is happening, and support PUs in meeting P1 requirements to conduct monitoring, consultation, and annually review the activity plan (1.1.1, 1.1.2, 1.1.3)</p>	<p><i>Frequency:</i> Annually by each PU and LF</p> <p><i>Timing:</i> For LFs due of licensing part 1 submitted at the end of sowing, part 2, 4 weeks after end of harvest. For other LFs and PUs submitted 4 weeks after the end of harvest.</p>
PU Support Visit	Trained PP Staff Member	Monitor continuous improvement and identify areas where the PU needs	<i>Frequency:</i> At least once during the second or third year of an active licence

Assessment Type	Conducted by	Key Objective	Frequency and Timing
[PUs only]		additional support/capacity strengthening	<i>Timing:</i> from start of sowing to end of harvest
Surveillance Assessment [PUs only]	BCI/Third-party Verifier	Ensure ongoing compliance with P&C Indicators, including demonstrated continuous improvement progress	<i>Frequency:</i> Once per licence period if applicable – minimum 5% licence holders covered annually based on risk <i>Timing:</i> from start of sowing to end of harvest

Table 3: Overview of Assessment Types.

4. Self-assessment and Internal Assessment

4.1 Overview

4.1.1 All Producers are required to complete an annual self-assessment survey in order to receive or maintain a licence:

- a) Self-assessment is completed individually for each Large Farm.
- b) Self-assessment is completed at the Producer Unit (PU) level for each Smallholder and Medium Farm PU, based on the results of internal assessment and other monitoring activities.

4.1.2 The objectives of the self-assessment are to:

- a) Ensure that Producer self-monitoring is happening in between external assessments
- b) Support PUs in meeting Principle 1 requirements to conduct monitoring, consultation, and annually review the activity plan (1.1.1, 1.1.2, 1.1.3)
- c) Support LFs in assessing their level of preparedness for licensing.

4.1.3 The self-assessment is organised into six sections:

- a) Background contextual information
- b) Consultation activities and findings – not applicable to LFs

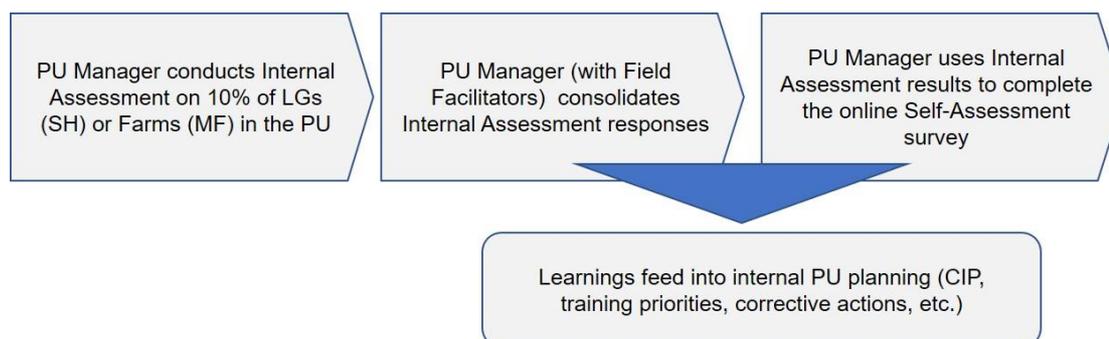
- c) Labour monitoring and remediation (including labour profile)
- d) Monitoring of improvements (including using RIRs and practice adoption data) – partially applicable to LFs
- e) Indicator-level self-assessment with identification of compliance gaps
- f) Conclusions, informing the required annual revision of the activity plan.

4.1.4 The results of the self-assessment are not directly linked to licensing; they are used instead to help the PU or Large Farm (LF) Manager identify improvement areas.

- a) Self-assessment results may also be used by third-party verifiers (3PVs), Programme Partners (PPs), or BCI teams to help prepare for an assessment or monitoring visit and to assess quality of Producer management and monitoring systems.

4.2 Internal Assessment (PUs only)

4.2.1 Before completing the self-assessment at PU level, the PU Manager and Field Facilitators carry out an annual internal assessment to gather feedback from a representative sample of farmers each season:



4.2.2 The internal assessment may use the consultation and monitoring processes defined within Principle 1 of [BCI Principles and Criteria](#).

4.2.3 The internal assessment should cover at least 10% of the LGs (for a Smallholder PU) or 10% of Farms (for a Medium Farm PU).

PUs are recommended to include even more LGs or Farms where possible—10% of LGs (Smallholders) or Medium Farms is a minimum expectation.

4.2.4 The internal assessment is able to help identify any risks of non-compliance against the indicators of the P&C.

4.2.5 The internal assessment helps to identify current practices used by farmers and assesses various elements of training and practice adoption:

a) After a PU is licensed, the focus of internal assessment shifts to assessing levels of farmer understanding and adoption of the practices promoted through training.

4.2.6 A standard reporting format for internal assessment reporting is provided by BCI – this format is optional for PUs.

4.2.7 Internal assessment reports are maintained by the PU Manager and do not need to be submitted to BCI; however, they may be reviewed by verifiers during assessments.

4.3 Self-Assessment Format and Timing

4.3.1 The self-assessment is completed by the PU Manager or LF Manager in Excel in the case of PUs and in an online survey tool distributed by the BCI Assurance team in the case of LFs.

4.3.2 For PUs and LFs with a valid license the Self-Assessment is an end of season requirement, and it is submitted to BCI by 4 weeks after the end of harvest.

4.3.3 For LFs due for licensing (i.e. new LFs or LFs due for a renewal of their license) the self-assessment is divided in two sections, of which part 1 is completed by the end of sowing and part 2 by 4 weeks after the end of harvest. When re-sent the survey at the end of the season, LFs have the chance to check and edit the information originally submitted in addition to providing the required new information for section two.

4.3.4 For PUs, the PU Manager should use the results of the internal assessment, licensing and surveillance assessments, readiness checks, PU support visits, labour monitoring and remediation system, and data review (e.g. results indicators reporting and practice adoption).

4.3.5 If a Producer does not submit a completed self-assessment in admissible quality by the deadline, the Producer's active licence will be cancelled and to participate in the programme they will need to rejoin through certification as per the [P&C Monitoring and Certification Requirements](#).

See 14.1 Licence Cancellation for more information on cancelled licences. In extenuating circumstances an extension request for more time to complete the self-assessment can be requested, please refer to 16. Variations and Extensions.

5. PU Support Visits (PUs only)

5.1 Overview

5.1.1 All licensed PUs are required to receive a field-based PU Support Visit by the Programme Partner (PP) in either the second or third year of the active licence period.

These visits are designed to complement – not replace – regular monitoring and field visits by the PP to all the PUs under their management.

5.1.2 PPs are responsible for scheduling PU Support Visits and tracking to ensure that each PU receives a visit during the second or third year of the active licence period.

5.1.3 The aim of the PU Support Visit is to:

- a) Evaluate the PU's continuous improvement progress, identify challenges, and develop solutions (together with the PU Manager and Field Facilitators)
- b) Review the effectiveness of the PU's internal management system and training/awareness raising efforts, and determine if any changes are needed
- c) Verify whether the PU is still fully compliant with the P&C Indicators; identify any gaps and agree on corrective actions to address these
- d) Understand where the PU needs additional capacity strengthening support and training (including skills development or training of PU staff as well as for farmers).

5.1.4 PU Support Visits can be conducted by any experienced member of the PP organisation who has completed relevant training.

The job title of the specific individual(s) within an PP organisation who meet these requirements may vary. BCI provides training to PP representatives on how to conduct the PU Support Visits. PP Representatives who have experience with the BCI programme and have undergone training on the PU Support Visit process can train other PP staff members in order to build up a pool of eligible assessors within the organisation.

5.1.5 PU Support Visits cannot be conducted by the PU Manager (or another staff member) of the same PU that is being assessed.

5.2 Format and Timing

5.2.1 PU Support Visits are field-based checks that should typically last at least two full days for a Smallholder PU and 1.5 days for a Medium Farm PU.

5.2.2 The PU Support Visit should include at a minimum the following elements (others may be included based on the judgement of the PP representative):

- a) A meeting with the PU Manager and Field Facilitators to understand progress and identify key challenges and action plans;

- b) Individual interviews with at least 5 farmers from 3 different Learning Groups for Smallholders (15 farmers minimum), or 3 farmers for Medium Farms;
- c) Field observations at individual farms (minimum of 5 farms, but more farm visits are recommended);
- d) Worker interviews (whenever possible);
- e) A detailed review of PU documents, including the continuous improvement priorities, training records, adoption records, etc.;
- f) Cross-checking PU level documents (e.g., training and adoption records) with farmer interviews on a sample basis;
- g) Observing the PU Manager and Field Facilitators in their daily work, for example, observing training sessions, farmer focus groups, or shadowing Field Facilitators on individual farmer visits;
- h) Individual interviews with the PU Manager and Field Facilitators to understand knowledge strengths and areas for improvement;
- i) An assessment of year-on-year progress in achieving continuous improvement targets and identification of any areas of challenge that require support;
- j) A closing meeting with the PU Manager and Field Facilitators to discuss findings, corrective actions, and any next steps.

5.3 Outcomes of PU Support Visits

- 5.3.1 After the visit, findings are reported using the PU Support Visit template, available from BCI.
- 5.3.2 The PP Representative carrying out the PU Support Visit should complete the report and the detailed Action Plan and share back with the PU Manager within 3 weeks of the visit.
- 5.3.3 Copies of the PU Support Visit reports are to be shared with the BCI Country Teams at least once per year, or when requested.
- 5.3.4 If a PP determines at any time (including through a PU Support Visit) that a PU has significant gaps in meeting any of the P&C Indicators, the PP is expected to notify the BCI Country team in writing of the issue
- 5.3.5 This information will not lead to an automatic licence cancellation but may result in an additional Surveillance Assessment being carried out.

6. Surveillance

Assessments (PUs only)

6.1 Overview

6.1.1 Surveillance Assessments are carried out on a sample of licensed PUs in the second or third year of an active licence.

6.1.2 Surveillance Assessments are conducted by either qualified BCI Programme Officers/Coordinators or approved third-party verifiers.

6.1.3 The objectives of Surveillance Assessments are to:

- a) Confirm that the PU continues to comply with all P&C Indicators;
- b) Check that any non-conformities from previous assessments have been fully closed;
- c) Ensure the PU is making progress against priority areas for continuous improvement; and
- d) Provide feedback to the PU on any compliance gaps.

6.2 Sampling

6.2.2 Surveillance Assessments are carried out on a sample of licensed PUs globally each year⁴.

6.2.3 The sample of PUs to receive a Surveillance Assessment is calculated by the BCI Assurance Managers based on the following factors:

- a) All PUs with over 33% new farmers will receive a mandatory surveillance assessment
- b) PUs with a high rate of non-conformities during previous assessments
- c) Balanced distribution across PPs, Local Partners, and regions
- d) Third-party information on risk factors (i.e. known sustainability issues or labour violations in a specific region).

⁴The total sample of surveillance assessments is expected to be around 5% of licensed Producers globally each year, but this varies depending on risk factors. Total surveillance assessments completed by country and outcomes of these visits are published annually on the BCI [Assurance website](#)

6.2.4 The list of any PUs to receive a Surveillance Assessment will be shared with the relevant PP by BCI Country Teams at least five working days ahead of the visit.

6.3 Format and timing

6.3.1 Surveillance Assessments are field-based visits that include a review of the Producer's internal management system as well as field observations and interviews.

6.3.2 Each assessment includes the following elements:

- a) Gathering information from local sources (for third-party verification only)
- b) Management interview
- c) Farmer interviews
- d) Worker interviews
- e) Documentation review
- f) Visual (field) inspection
- g) Analysis and reporting

6.3.3 During the assessment process for PUs, a sample of farmers are visited:

- a) For Smallholder PUs, a minimum of 3 Learning Groups are visited and 5 farmers per Learning Group (total of 15 farmers) receive farm visits.
- b) For Medium Farm PUs, a minimum of 3 farmers receive farm visits.

These are minimum expectations. A greater sample of farmers should be visited whenever possible in order to have better representation of the PU's performance. Additional farmers may also be visited at the assessor's discretion; for example, in order to determine the extent of a potential non-conformity.

6.3.4 During the assessment process for PUs, a sample of farmers are visited:

- a) For Smallholder PUs, a minimum of 3 Learning Groups are visited and 5 farmers per Learning Group (total of 15 farmers) receive farm visits.
- b) For Medium Farm PUs, a minimum of 3 farmers receive farm visits.

These are minimum expectations. A greater sample of farmers should be visited whenever possible in order to have better representation of the PU's performance. Additional farmers may also be visited at the assessor's discretion; for example, in order to determine the extent of a potential non-conformity.

6.3.5 During the assessment process for LFs, the individual LF receives a site visit from a third-party verifier. Surveillance Assessments can be carried out any time during the crop season from start of sowing to end of harvest.

6.3.6 During the assessment process for LFs, the individual LF receives a site visit from a third-party verifier. Surveillance Assessments can be carried out any time during the crop season from start of sowing to end of harvest.

A sample of licensing and/or surveillance assessments each season may be carried out remotely, refer to 7.2 Standard Remote Assessment Sample.

6.4 Outcomes of Surveillance Assessments

6.4.1 During the closing meeting at the end of a Surveillance Assessment, the BCI assessor or third-party verifier will discuss and share a short, written summary of key findings with the PU Manager.

- a) This will include both positive elements of the PU's performance as well as areas where there are potential gaps against the P&C Indicators.

This summary of findings should be used as the basis to guide the closing meeting discussion, and a copy will be left with the PU Manager to ensure there is clear communication of assessment findings. No non-conformity gradings should be communicated at this point (as these are subject to Assurance Manager oversight); only fact-based descriptions of potential issues identified.

6.4.2 After the visit, the full set of findings are documented using the Assessment Report template, available from BCI.

6.4.3 The Assessment Report, summary of key findings, and supporting evidence are shared with the Assurance Managers for a final review and decision:

6.4.4 If compliant with all P&C Indicators, or if only incidental non-conformities are identified, the PU will retain its current licence.

- a) If systemic non-conformities are identified, the active licence will be cancelled and another Licencing Assessment will be required before the licence can be reinstated.

6.4.5 Once reviewed by Assurance Managers, the final report is shared with the PU Manager.

Reports are generally expected to be completed and shared with the PU Manager within 3 weeks of the visit.

6.4.6 If any non-conformities (incidental or systemic) are identified during the assessment, BCI will also share a Corrective Action Plan (CAP) template with the PU Manager

- a) The PU Manager must complete the CAP and return the BCI Country Team within 10 working days.

Refer to 15. Non-conformities and Corrective Actions for more information on non-conformities and licensing.

7. Remote Assessments

7.1 Force Majeure

7.1.1 Where political events, natural disasters, or other force majeure events make it not possible or not safe to carry out standard assurance activities; remote or partially remote assessments may be carried out instead with prior written approval from the BCI Director of Standards & Assurance.

7.2 Standard Remote Assessment Sample

7.2.1 Outside of a force majeure response, up to 20% of assessments in each season may take place remotely. The selection of assessments to be done remotely is based on the following factors:

- a) Producer is not being assessed for their first/initial licence
- b) Producer has a good record of conformity in previous assessments, self-assessments, and monitoring visits
- c) Previous assessment for the Producer was on-site (e.g., consecutive assessments should not be remote)
- d) The Producer has not had a significant composition change of farmers i.e., more than 33%
- e) Consideration of locality – e.g., within a region, assessments should not be fully remote.

7.2.2 Remote assessments should follow guidelines from BCI.

8. Use of Interpreters

8.1 Interpreters During Assessments

8.1.1 Interpreters⁵ are to be contracted as part of the assessment process in cases where the local language is not spoken by the assessor.

8.1.2 Interpreters must be independent and impartial from the Producer being assessed.

8.1.3 Translations must be a direct translation to maintain accuracy and completeness of the interviewee's statement.

9. Continuous Improvement

9.1 Continuous Improvement for Producers

All producers are expected to plan for and demonstrate continuous improvement. For producer units this will be reflected in their activities and monitoring plans. For Large Farms they will be required to define targets and show progress over time.

9.1.1 During the active licence period, Producers are expected to focus on the implementation and achievement of improvements.

a) Producers (with the support of Programme Partners (for PUs)) should shape their capacity strengthening and interventions around priorities for improvement

b) PUs are expected to regularly monitor the effectiveness of training and other interventions, through tracking levels of farmer understanding and awareness and (eventually) adoption of more sustainable practices.

9.1.2 Both PUs and LFs are required to demonstrate year-on-year progress in achieving their improvement goals, and to engage in an annual review process to ensure they build on successes and address any areas of challenge.

9.1.3 The assurance process provides a framework of both accountability and support to ensure Producers make continued progress against the priorities for improvement.

⁵ Term 'interpreters' incorporates the term "translator" within this document where mentioned

9.1.4 The Readiness Check (for PUs) and initial licensing assessment (for all Producers) reviews the initial priorities for improvement and checks whether the priorities and timeframes are appropriate and realistic; they also assess the level of competence and understanding of the PU/LF Manager and Field Facilitators (for PUs).

9.1.5 For PUs, the PU Support Visits and Surveillance Assessments also have a strong focus on continuous improvement.

10. Additional Verification Activities

If significant environmental, social, or economic threats are identified in an area where licensed Producers are operating, BCI may request additional verification activities to help safeguard the credibility of the BCI Standard System. This could be applicable for example if third-party reports show high uses of child labour, or a credible research study suggests continued use of banned pesticides in a specific region.

10.1 Additional Verification Activities

10.1.1 In specific cases where risk areas have been identified (e.g. through credible third-party information or monitoring of external data), BCI may commission additional verification activities to assess Producer compliance with specific P&C Indicators.

10.1.2 Additional verification activities:

- a) Can consist of either field-based visits or remote interviews/document checks;
- b) Are carried out by designated technical experts approved and commissioned directly by BCI Assurance Managers.

10.1.3 If additional verification activities are commissioned by BCI, the Producer (either Large Farm Manager or PU Manager and PP representative) will be notified in writing with a minimum of 24 hours' notice.

10.1.4 All findings of additional verification activities are shared, in writing, with the Assurance Managers, who will review any outcomes and make final decisions on licensing impacts:

- a) Identification of systemic non-conformities will result in the licence being cancelled and a Corrective Action Plan (CAP) being developed.

b) Identification of incidental non-conformities will not affect the licence but will require development of a CAP within ten working days of being informed of the findings.

10.1.5 Failure to comply with a request for additional verification activities (such as refusing access to assessors, or non-submission of requested information) can lead to a licence cancellation.

11. Licensing Decisions and Claims

11.1 Licensing Decisions

11.1.1 All final licensing decisions are made by BCI Assurance Managers or Senior Coordinators based on a review of the outcome of a Licensing Assessment, including the report itself and any supporting evidence where appropriate.

11.1.2 All licences to sell BCI Cotton have been issued at a standard duration of 3 years. Please note no new licenses are being issued at this time of transition to certification

11.1.3 Large Farms receive licences on an individual basis, and a Producer Unit (PU) is awarded a single licence covering all farmers within the PU.

11.1.4 All licensing decisions (such as licences being awarded or cancelled) for any given season are communicated to PPs and PU or LF Managers by BCI Country Teams.

a) A full list of active licensed Producers by country and season are also published on the BCI website.

The licensing communication also identifies the conditions associated with individual licences. In the context of PUs, the PP representative is responsible for sharing licensing information with individual PU Managers.

11.2 Licensing Claims

11.2.1 Producers who hold active licenses to sell BCI Cotton can make claims about their licensed status, provided they:

a) Reflect the accurate and current status of the license for the given cotton season, as indicated via the public list of active licenses (available on the BCI website) and/or as indicated via the latest license communication from BCI.

- b) Clearly indicate the duration of the license and/or the season for which the Producer is licensed to sell BCI Cotton.

The use of authorised annual volume (AAV) codes helps to ensure that even if unlicensed Producers make false claims about their license status, their cotton cannot be sold and recorded into the BCI Platform as 'BCI Cotton'.

12. Active License Period

12.1 Active License Period

12.1.1 During the 3-year active licence period, Producers are expected to fulfil annual requirements to maintain the licence:

- a) Submit annual Producer data to BCI by specified deadlines⁶;
- b) Complete an annual self-assessment survey (and internal assessment, for PUs only);
- c) Implement corrective actions and fully address any incidental non-conformities identified through a Licensing or Surveillance Assessment, or PU Support Visit;
- d) Demonstrate progress in achieving the continuous improvement targets
- e) Submit Results Indicator (RI) reporting 12 weeks after the end of harvest (see Results Indicators Reporting in the [Glossary of Key Terms](#)).

It is the PP's responsibility to submit accurate PU-level farmer lists each season to BCI to maintain an active licence. If wide-scale inaccuracies in this data, or falsified farmer information is suspected, BCI has the right to investigate further. BCI may cancel the PU's licence if these inaccuracies are systemic in nature.

12.1.2 During the licence period PUs are also required to participate in at least one PU Support Visit, and if applicable, a Surveillance Assessment.

12.1.3 If changes in farmer composition result in the percentage of new farmers in the PU exceeding 33% at any point during the active licence period, the PU must undergo a Surveillance Assessment in order to maintain the licence.⁷

⁶ PU data includes (but is not limited to) name and contact information of Producer Unit Manager; list of farmers organised into Learning Groups (for Smallholder Producer Units); age, gender, education level of farmers; expected seed cotton production per farmer and area under cultivation; geo-location of Producer Units; names of gins. For LFs, Producer data includes (but is not limited to) name of LF Manager; expected seed cotton production and area under cultivation; geo-location of farm; name of gin(s).

⁷ The 'percentage of new farmers' is calculated as the number of new farmers/total farmers in the PU for the current season * 100.

13. Annual Licensed Volumes

13.1 Annual Licensed Volumes

13.1.2 All Producers with an active licence to sell BCI Cotton will receive an annual licensed volume allocation – this enables their cotton to be sold into the supply chain as ‘BCI Cotton’.

The licensed volume is based on projected cotton production and is an estimate of the volume each Producer can sell into the supply chain as ‘BCI Cotton’.

13.1.3 Producers in most countries where BCI operates will receive an Annual Authorised Volume (AAV) code once a year at the licensing date:

- a) The AAV code is a unique code, specific to each Producer, that is linked to the volume of licensed cotton produced by that PU or LF.
- b) The AAV code is to be passed on to buyers of the cotton (i.e. ginner) so that purchases of BCI Cotton can be entered into the BCI Platform.
- c) A new, unique AAV code is generated each year for every Producer with an active licence; and is valid for the duration of the season.

13.1.4 AAV codes are communicated out to PP representatives (or Large Farm managers) by BCI Country Teams during the annual licensing deadline.

13.1.5 In countries where combined gin inventories are used (rather than individual AAV codes), the total volume of licensed cotton will be updated in the BCI Platform on an annual basis.

14. License Cancellation

New Producers remain ‘unlicensed’ until a Licensing Assessment has been carried out with no systemic non-conformities identified (following the set-up phase and a Readiness Check for PUs). Once a licence is issued, it remains valid for the 3-year period unless the Producer fails to meet a specific requirement (such as submitting RI data), there is a change in the Producer’s overall status (i.e. the PU is dissolved), or a systemic non-conformity is raised during an assessment. In some cases, a Licensing Assessment is required before a cancelled licence can be reinstated – refer to the table below. All changes to licensing status are approved by an Assurance Manager.

14.1 License Cancellation

14.1.1 A licence cancellation is when a Producer's active licence becomes invalid for a specified period due to a failure to comply with at least one of the licensing requirements (see Overview of Licensing Requirements) or due to an administrative reason.

14.1.2 Licences can be cancelled for the current season or for the following season, depending on the timing of the issue (i.e. whether it occurred before or after the licensing date – refer to [Table 4: Licence Cancellations](#)).

14.1.2.1 Where a license is cancelled for the following season this will mean that the licensee cannot apply for certification in that season.

14.1.3 Producers with a cancelled licence are not permitted to sell cotton as 'BCI Cotton' during the cancellation period; however, the Producer can continue participating with BCI, with farmers receiving training and support from the PP and PU staff.

14.1.4 Active licences are cancelled in the following cases:

- a) Self-assessment is not submitted on time;
- b) Results Indicator (RI) reporting data is either not submitted on time, incomplete, systematically erroneous (e.g. fertilizer data in place of pesticide data), or falsified or fabricated (or cannot be verified through cross-checking);
- c) Corrective actions to address incidental non-conformities have not been implemented within the six-month timeframe⁸;
- d) Systemic non-conformity is found during a Licensing or Surveillance Assessment (or additional verification activity as in [Section 11](#));
- e) Scheduled assessments are not carried out (for example, the Producer refuses access);
- f) Corrective Action Plan (CAP) for incidental non-conformity is not submitted by the required deadline or is incomplete or insufficient quality.

14.1.5 Following the cancellation period,

- a) If the license has not expired, and cancellation was only for non-submission of self-assessment or RI reporting, the license may be reactivated by the assurance team upon request and confirmation of the farm/ PUs intention to participate.
- b) In all other cases of cancellation, the licensee will need following the cancellation period to apply for certification and achieve a permission to trade before trading BCI Cotton. See the BCI Monitoring and Certification Requirements.

⁸ Unless exceptional circumstances have prevented the implementation of corrective actions.

14.1.6 Licences can also be cancelled due to a change in the status of the Producer or Programme Partner, for example:

- a) The PU stops growing cotton [PUs only]⁹.
- b) The PU is dissolved or the Programme Partner agreement is no longer active.
- c) The Producer stops participating with BCI.

In the table below, the current season refers to 2020/21 to help provide an example.

Timing of Issue	Cause	Current season impact (e.g. 2020/21)	Next season impact (e.g. 2021/22)	Following season (e.g. 2022/23)
Before Licensing Date (volume release date)	<ul style="list-style-type: none"> a. Self-assessment not submitted on time (LFs due for licensing – Part 1) b. RI reporting from the <u>previous season</u> not submitted, or insufficient quality data (N/A for new Producers) 	Licence cancelled for the season	<ul style="list-style-type: none"> • If the license has not expired reactivation may be approved by assurance team without assessment upon request and confirmation of the farm/PUs intention to participate. • If the license has expired the licensee can apply for certification – see BCI Monitoring and Certification 	N/A
	<ul style="list-style-type: none"> c. Incidental non-conformities (NCs) from previous season not fully closed within the six-month timeline d. Systemic NC on 	Licence cancelled (or if new Producer, no licence granted)	Licensee can apply for certification – see BCI Monitoring and Certification Requirements.	N/A

⁹ In the case of LFs, the licence remains valid for the remainder of the licence period.

Timing of Issue	Cause	Current season impact (e.g. 2020/21)	Next season impact (e.g. 2021/22)	Following season (e.g. 2022/23)
	Surveillance Assessment ¹⁰ e. Failure to carry out scheduled assessment f. CAP not submitted or is incomplete or insufficient quality			
After Licensing Date (volume release date)	a. Systemic NC on Surveillance Assessment ¹¹ b. Failure to carry out scheduled assessment c. CAP not submitted or is incomplete or insufficient quality d. Self-assessment not submitted on time e. Failed surveillance assessment	No impact (production can be sold as BCI Cotton)	Licence cancelled or suspended and not eligible to apply for certification	Licensee can apply for certification – see BCI Principles and Criteria Monitoring and Certification Requirements .

Table 4: License Cancellations.

¹⁰ Systemic NC can also be raised during an additional verification (see [Additional Verification Activities](#)).

¹¹ Systemic NC can also be raised during an additional verification (see [Additional Verification Activities](#)).

15. Non-conformities and Corrective Actions

15.1 Non-conformity Gradings and Consequences

15.1.2 Non-conformities (NCs) identified during Surveillance Assessments are graded as either incidental or systemic, as set out in [Table 5](#).

15.1.2.1 Assessor may also identify some indicators as ‘compliant with observation where although an indicator is currently met there is a risk which could lead to future non-compliance.

NC Grading	Description of Finding	Consequences	Follow-up
Incidental	<p>For Producer Units:</p> <ul style="list-style-type: none"> a) Non-conformity on a Core Indicator is observed as an isolated event, limited in temporal and spatial scale, and b) Producer Unit has provided sufficient evidence that the internal management system (IMS) should prevent such practices c) The same non-conformity issue is identified in two consecutive assessments (either licensing or surveillance assessments) but significant progress was made. 	<p>Corrective action plan to be completed within ten working days of being notified of assessment findings.</p> <p>The Producer has six months to implement corrective actions to prevent the identified non-conformity from re-occurring in future.</p>	BCI verifies the implementation of corrective actions, either through a remote evidence review and/or through a site visit.
	<p>For Large Farms:</p> <ul style="list-style-type: none"> a) The impacts of the non-conformity are limited in temporal or spatial scale, and/or 	<p>Note –the Large farm Group Coordination Model (refer to Annex B) the timeline for closing an incidental non-conformity is two weeks.</p>	

NC Grading	Description of Finding	Consequences	Follow-up
	<ul style="list-style-type: none"> b) It does not result in a fundamental failure to achieve the objective of the indicator. c) The same non-conformity issue is identified in two consecutive assessments (either licensing or surveillance assessments) but significant progress was made. 		
Systemic	<p>For Producer Units:</p> <ul style="list-style-type: none"> a) Corroborative evidence demonstrates that a Core Indicator is not respected, and b) Producer Unit cannot provide sufficient evidence that the internal management system (IMS) prevents such practices. c) The same non-conformity issue is identified in two consecutive assessments (either licensing or surveillance assessments) without significant progress made. 	<p>PU's active licence is cancelled, they will need to rejoin the programme through certification.</p> <p>Corrective action plan to be completed within ten working days of being notified of assessment findings.</p>	<p>Implementation of corrective actions is checked during the subsequent certification audit.</p> <p>For PUs, PPs should support the PU in implementing corrective actions and verify their effectiveness before certification audit.</p>
	<p>For Large Farms:</p> <ul style="list-style-type: none"> a) Non-conformity occurs repeatedly, or b) Results in a fundamental failure to achieve the objective of the indicator. c) The same non-conformity issue is identified in two consecutive assessments (either licensing or surveillance assessments) 		

NC Grading	Description of Finding	Consequences	Follow-up
	without significant progress made.		

Table 5: Incidental and Systemic Non-Conformities

15.2 Corrective Action Plans

15.2.2 If a Surveillance Assessment identifies incidental and/or systemic non-conformities, the PU/LF Manager must complete a Corrective Action Plan (CAP) for all non-conformities.

- a) The assessor shares the CAP template with the PU Manager/LF Manager after the assessment, with the non-conformities populated.
- b) The PU Manager or LF Manager is responsible for identifying the root cause and outlining remediation steps and owners for all non-conformities identified.

15.2.3 The CAP is submitted by the PU/LF Manager to BCI country team within ten working days of receiving the assessment outcome:

- a) If the CAP is incomplete or poor quality, BCI may request corrections before the CAP is considered acceptable.

15.2.4 In case of incidental non-conformity, failure to submit an acceptable CAP by the required deadline results the licence being cancelled and a need to reapply for Certification as per the [P&C Monitoring and Certification Requirements](#).

- a) If the required CAP deadline occurs before the licensing deadline, the current season licence is cancelled.
- b) If the required CAP deadline occurs after the licensing deadline, the licence is cancelled for the following season.

15.2.5 For PUs, the PP is responsible for supporting the PU Manager to develop an appropriate CAP and for monitoring the PU to ensure that the agreed corrective actions are implemented.

15.2.6 The implementation of the CAP may be verified by BCI approximately six months after the licence was issued

- a) This can take the form of an on-site visit or a remote documentation review and phone/video/email communication.

15.2.7 If sufficient evidence is not submitted to confirm that root causes are identified and corrective actions implemented (to the extent possible given seasonal timing), the licence will be cancelled and the Producer will need to reapply for Certification as per the [P&C Monitoring and Certification Requirements](#), subject to Assurance Manager or Senior Coordinator review.

16. Variations and Extensions

The assurance model allows for variations or time extensions on certain requirements, as outlined below.

16.1 Variations and Extensions Process

16.1.1 Variations can be requested in the following cases:

Variation type	Deadline for request
Request an extension for additional time to meet a required assurance deadline, such as farmer lists, self-assessment, Results Indicator (RI) reporting, or closure of incidental non-conformities.	At least ten working days ahead of the original deadline.

16.1.2 All requests for variation and extension are to be submitted through the process found on the BCI assurance website.

a) Requests are to be submitted by the PU Manager or LF Manager, in English, and must cover all information required in the form.

b) Requests must include a clear rationale and supporting evidence where required.

16.1.3 Variation/extension requests are decided on by BCI Assurance Manager/ Senior Coordinator(s):

a) Decisions will be communicated back to the Producer within 5 working days of receiving a complete variation/extension request (with evidence).

b) Extension requests are generally granted for two weeks unless the Producer requests additional timing and provides a clear rationale.

17. Appeals process

17.1 Appeals Process

17.1.1 Under the BCI assurance model, Producers can appeal against a licensing decision within 10 working days of being informed of the licensing decision.

17.1.2 The appeals procedure is designed to be used in cases where the Producer has clear evidence of professional misconduct or negligence on the part of the assessor.

The Appeals Procedure should not be triggered due to the fact that a Producer disagrees with the evidence-based findings of a Licensing Assessment.

17.1.3 Appeals must be filed using the form on the BCI [Assurance website](#).

17.1.4 Appeals received are first reviewed for eligibility. Appeals are considered ineligible for processing if they are received after the deadline, the appeals form is incomplete, or it does not contain sufficient evidence of professional misconduct or negligence on the part of the assessor.

17.1.5 Decisions on eligible appeals are made by a subset of members from BCI Appeals Committee, which comprises country-level assurance Coordinators or Managers and third-party verifiers.

17.1.6 Within 14 days of receiving an eligible appeal, the Assurance Managers/Senior Coordinator will designate a specific panel composed of 1-3 members of the Appeals Committee, who will review and decide on the appeal in question.

17.1.7 Members of the panel are selected based on impartiality, technical knowledge of the relevant BCI principles, understanding of local context, and availability.

17.1.8 The panel will exclude any members with conflicts of interest – for example, a third-party verifier who carried out the verification visit against which the Producer is appealing.

17.1.9 The dedicated appeals panel will review and decide on an appeal within 35 calendar days of receipt of the appeal

a) The appellant will be notified in writing of the decision and the rationale.

b) All appeal decisions are final.

18. Assurance Updates and Oversight

18.1 Assurance Changes and Stakeholder Engagement

18.1.1 BCI periodically reviews the assurance model to ensure it continues to deliver on its objectives (as outlined in [Section 1 – Introduction](#)); driving opportunities for continuous improvement and maintaining credibility.

- a) Where significant assurance updates are proposed there will be proactive communication and dedicated consultation opportunities with key stakeholders including Producers, PPs, verifiers, and others.
- b) A schedule of any proposed major changes and opportunities for stakeholder consultation will be made public on the [BCI Assurance website](#).
- c) Minor changes to the assurance model (which do not fundamentally change the assurance mechanisms and do not have notable implications on cost, credibility, licensing, or accessibility) can be made by the BCI Assurance team, after consultation with affected stakeholders; these require approval of the Director of Standards & Assurance.
- d) Final approval for major changes to the assurance model rests with the BCI Council, which is a multi-stakeholder body elected from the BCI Membership.

18.1.2 Feedback or suggestions relating to the BCI assurance programme can be submitted at any time to compliance@bettercotton.org – these will receive written responses and will inform the schedule of future updates.

18.1.3 When a new version of the Assurance Manual for Licensees is published the following steps will be taken:

- a) It will be made available on the BCI website.
- b) Regional teams and PPs will be emailed to inform them of the update.
- c) For minor changes the date of publication on the website will be the date the changes come into effect.
- d) For major changes (i.e. those which fundamentally change the assurance mechanisms and/or have notable implications on cost, credibility, licensing, or accessibility).

- i. An effective date for the changes will be agreed and included in the manual based on the communication and transition needs. This will be at least 30 days after the publication of the manual.
- ii. PPs will be requested to inform the LFs or PUs they work with about any changes which impact them sufficiently in advance of the effective date.

18.2 Assurance System Oversight

BCI is committed to ensuring the continued effectiveness and integrity of its assurance model through external oversight.

18.2.1 External oversight activities are conducted as part of periodic system reviews and are performed at least every 3-years.

18.2.2 External oversight activities are conducted by independent consultants. BCI will request any conflict of interests to be disclosed before proceeding with the selected independent consultant /body.

18.2.3 Further details of BCI’s oversight mechanism is outlined in the Assurance Programme System Review document; available on the BCI [Assurance website](#).

Annex A. Timeline of Assurance Activities

The specific dates associated with the timelines below are set by country/sub-region at the beginning of the season based on the expected timing of the crop season. All dates will be communicated to Programme Partners and Large Farms at the beginning of the season.

Activity	Start timing	End timing (deadline)
PPs or LFs confirm Producer data	4 weeks before start of sowing	End of Sowing
PPs Submit farmer lists	4 weeks before start of sowing	End of Sowing (final confirmed farmer lists)
Internal Assessment (recommended timing)	Start of sowing (recommended timing)	End of sowing (recommended timing)

PPs submit Early Season Reporting	Start of sowing	End of sowing
Surveillance Assessments	Start of sowing	End of harvest
PU Support visits (on licensed PUs)	Start of sowing	End of harvest
Self-Assessments	Start time flexible for PUs, end of harvest for LFs and PUs	4 weeks after end of harvest
Deadline to complete Corrective Action Plan (CAP) template	N/A	10 working days after findings are communicated back to the Producer Self-Assessment
PPs or LFs submit Results Indicator (RIR) reporting	Start of sowing	12 weeks after end of harvest (final confirmed RI reporting submitted)
Deadline to implement corrective actions for Incidental non-conformities	N/A	6 months after findings are communicated back to the Producer

Table 6: Timeline of Assurance Activities

Annex B. Large Farm Group Coordination Model

Large Farms covered by this model have individual licenses but are organised into groups, and assessments are issued on a sample basis. This model was designed to enable greater efficiency in licensing and coordination for large farms operating in specific lower-risk contexts¹².

Large Farms under individual BCI Licenses will join together under the guidance of a designated Licensing Management Partner¹³, (e.g., coop or Merchant), and may work with local gins or farmers' associations as Licensing Support Partners. The Licensing Management Partner (and Licensing Support Partner representatives, where relevant) are responsible for organising a group of participating farmers and providing them with farm-level support. This includes helping farmers understand licensing requirements,

¹² This approach was introduced in 2018 and is currently applicable only in the United States, due to the presence of a number of preconditions, including: (i) comprehensive government regulations, (ii) existing support systems of technical assistance, and (iii) demonstrated low risk of non-compliance based on analysis of licensing data. The model may be expanded to other regions in the future.

¹³ This Licensing Management Partner is not a license holder or responsible for P&C compliance of the large farms that fall within their group. Each farm has an individual license. The Licensing Management Partner provides support and facilitates some coordination and assessment activities.

gathering data, conducting farm visits, and helping to coordinate assessments conducted by third-party verifiers. The Licensing Management Partner (LMP) is a member of BCI.

B.1 Organisation of Large Farms in the Large Farm Group Coordination Model

B.1.1 Large Farms that wish to participate must follow the requirements in the [P&C Monitoring and Certification Requirements](#).

B.2 Self-assessment under the Large Farm Coordination Model

B.2.1 All farmers within each group must complete an annual self-assessment survey at the individual farm level, as follows:

- a) In the first year of participation, farmers complete a full self-assessment survey covering all P&C Indicators.
- b) During years two and three of the active licence period, farmers complete a shorter, streamlined version of self-assessment.

B.2.2 The self-assessment survey outcome is either compliant or non-compliant (if the farmer may not fully comply with a P&C Indicator).

- a) If the self-assessment survey results in a non-compliant outcome, the farmer's licence can be denied or cancelled.
- b) Large Farms may submit evidence to correct a self-assessment response by specified deadline; the evidence will be reviewed by the BCI Country Team and Assurance Manager to determine if the self-assessment outcome will be modified.

B.2.3 The self-assessment survey should be completed by the farmer directly; but if necessary, the farmer can be supported by the Licensing Management Partner.

B.3 Assessment outcomes and licensing

B.3.1 Findings from all assessments must be reported using the relevant BCI Assessment Report template, available from the BCI local country team.

B.3.2 If an incidental non-conformity is identified during an assessment, that individual farm must address the non-conformity and provide evidence of this within two weeks of receiving the assessment outcome.

- a) If sufficient evidence is submitted within two weeks confirming the non-conformity is closed, the licence can be issued or maintained.
- b) If sufficient evidence is not submitted within two weeks, the licence may be denied or cancelled after review by the BCI Assurance Manager.

In the context of the Licensing Management Model, an incidental non-conformity relates to a minor or administrative non-conformity, which does not threaten the ability of the farm to meet the key intent of a Core Indicator.

B.3.3 The outcome of all assessments are reviewed, and final licensing decisions are made by Assurance Managers or Senior Coordinators

B.3.4 If a systemic non-conformity is identified during an assessment, that individual farm will have its licence denied or cancelled and must complete a Corrective Action Plan in order to continue participating with BCI.

B.3.5 If all annual assessments are completed as per the sampling criteria in [B.3.1](#) above:

- a) 3-year licences to sell BCI Cotton will be issued to farms in their first year of participation if they have completed a self-assessment with compliant outcome and did not receive any systemic non-conformities on a Licensing Assessment (if relevant).
- b) At the close of each season, annual licensing communications are shared with Licensing Management Partners confirming that the farms with an active licence for that season are permitted to sell their cotton as 'BCI Cotton'.

B.3.6. If all annual assessments are not completed as per the sampling criteria in [B.3.1](#), assessments are not completed by the communicated deadline, and/or they are incomplete or of poor quality, BCI reserves the right to cancel or deny licences.

All cancellations of licences will be subject to review by the BCI Assurance Managers. Expectations for PPs/LMPs are clearly set out in the LMP agreement.

B.3.7 To continue participating in the Large Farm Group Coordination Model and maintain their license, each Large Farm within a group is required to:

- a) Complete the annual self-assessment by the required deadline, in line with the requirements set out under [B.2.1](#)
- b) Maintain conformity with all P&C Indicators, including demonstrating year-over-year continuous improvement in sustainable farming practices (as evaluated through annual self-assessment and any potential assessments)
- c) Comply with any scheduled assessments during the active licence period

d) Submit annual Results Indicator (RI) reporting data by the deadline, typically 12 weeks after harvest.

B.3.8 If a Large Farm does not meet the requirements above, the individual licence can be cancelled (refer to [14.1 Licence Cancellation](#)).

During the licence period, Large Farms under the: Large Farm Group Coordination Model are expected to demonstrate achievement of their individual Continuous Improvement Plans, in line with the requirements under 9. Continuous Improvement. Section 14. Licence Cancellation is also applicable to Large Farms operating under the Group Model.

B.4 Summary of Large Farm Group Coordination Model Expectations

B.4.1 Farmers participating in the Large Farm Group Coordination Model fulfil an annual cycle of expectations, as set out in the table below.

Year of participation	Expectations for Farmers	Assessments								
Year 1	Enter into certification as per the P&C Monitoring and Certification Requirements	Licensing Assessments are conducted annually according to the following sample rates (sampling is done on an annual basis; therefore, a Large Farm could receive an assessment in any year):								
Year 2	<ul style="list-style-type: none"> Streamlined SA Licensing Assessments for those farms selected in annual sample group RI reporting 									
Year 3	<ul style="list-style-type: none"> Streamlined SA Licensing Assessments for those farms selected in annual sample group RI reporting 									
Year 4	Transition into certification as per the P&C Monitoring and Certification Requirements									
		<table border="1"> <thead> <tr> <th>Type of Licensing Assessment</th> <th>Sample</th> </tr> </thead> <tbody> <tr> <td>LMP/LSP representative</td> <td>10%</td> </tr> <tr> <td>BCI assessor</td> <td>10%</td> </tr> <tr> <td>3rd party verifier</td> <td>10%</td> </tr> </tbody> </table>	Type of Licensing Assessment	Sample	LMP/LSP representative	10%	BCI assessor	10%	3 rd party verifier	10%
Type of Licensing Assessment	Sample									
LMP/LSP representative	10%									
BCI assessor	10%									
3 rd party verifier	10%									

Year of participation	Expectations for Farmers	Assessments

Table 7: Annual Expectations under the Large Farm Group Coordination Model.