

## **Q&A - BETTER COTTON INITIATIVE BCI -**

### **1. ABOUT THE ROUNDTABLE**

#### **1.1. What is the Better Cotton Initiative?**

The Better Cotton Initiative BCI has been established to define a new type of cotton commodity. BCI aims to promote measurable improvements in the key environmental and social impacts of cotton cultivation worldwide to make it more sustainable (economically, environmentally, and socially). BCI endeavors to initiate global change in the mass market, with long-term benefits for the environment, farmers and other people dependent on cotton for their livelihood. 'Better Cotton' is being defined through a collaborative multi-stakeholder approach, involving a wide range of players from farmers and their representatives along the cotton value chain to brands and retailers. The focus of BCI is at the farm level.

#### **1.2. What is WWF's vision for the BCI?**

WWF vision is to significantly reduce the adverse impacts of conventional cotton production on ecosystem health and biodiversity in WWF priority regions with help of the BCI, while at the same time improving the social and economic conditions for small-holder cotton farmers.

#### **1.3. What is WWF's role in the BCI?**

WWF identified cotton as one of the most environmentally damaging agricultural commodities based on collaborative research with IFC in 2003/2004. In parallel, WWF Pakistan and WWF Switzerland worked on a cotton field project aimed at reducing pesticide and water use in cotton production, using a farmer field school approach. Based on this knowledge, WWF and IFC initiated the roundtable on cotton, which eventually resulted in the BCI. WWF has actively participated in the BCI since its inception as a member of the Steering Committee and hosted the HR and financial management of the initiative. On July 1, 2009 the BCI has been established as a legal entity (Swiss membership association) and WWF was elected on its executive board (Council) as Vice Chair. Information and experience from ongoing field projects of WWF Pakistan and WWF India, supported by IKEA and M&S respectively, have contributed to the development of the BCI system and will be used to test the implementation of the system.

#### **1.4. Who participates in the BCI?**

Organizations representing "Civil Society", "Producers", "Retailers & Brands", "Suppliers and Manufacturers", and "Associate Members" are represented in the BCI as members. For a comprehensive list of BCI members go to [www.bettercotton.org](http://www.bettercotton.org).

Up to three organizations from each stakeholder group (except "Associate Members") are represented in the BCI Council, which – alongside the General Assembly - is the main representative decision making organ in BCI's governance. Presently, the following organizations are represented in the Council: Pesticide Action Network UK, WWF, Solidaridad, Intern. Federation of Agricultural Producers IFAP, Brazilian Association of Cotton Producers ABRAPA, Federation of Farmers Association of India, IKEA, H&M, Levi Strauss & Co., ECOM Agroindustrial Ltd. The development of the BCI is supported by an Advisory Committee ([www.bettercotton.org/index/57/advisory\\_committee.html](http://www.bettercotton.org/index/57/advisory_committee.html)).

#### **1.5 What is the decision-making process within the BCI?**

The Council, alongside the General Assembly, is the main representative decision making organ in BCI's governance. The Council's responsibility is to ensure that the Association has a clear strategic direction and an adequate policy to successfully fulfill its mission: it guides the strategy and policy development in accordance with the association long term objectives and all procedures and activities in compliance with the Statutes of the Association. For more information on the Council's role, responsibilities, procedures and decision-making, please refer to Article 8 of the Statutes of the Association.

([http://www.bettercotton.org/pics/BCI\\_STATUTES\\_final.pdf](http://www.bettercotton.org/pics/BCI_STATUTES_final.pdf)).

The Council shall seek to make all decisions by consensus (absence of sustained opposition). In the case where the Council is unable to reach consensus, the Council shall resort to a vote as determined in the By-

Laws of the Council. To achieve agreement by voting, 51% of the Council members AND at least one from each stakeholder group need to vote in favor of a proposal.

### **1.6 What has this RT achieved so far ?**

Between February 2007 and June 2008, Version 1.0 of the Principles, Criteria and Enabling Mechanisms for 'Better Cotton' has been developed on the basis of consultations with the Regional Working Groups in Brazil, India, Pakistan and West & Central Africa, the BCI Advisory Committee members, Better Cotton Partners, Experts, and Friends. Version 1.0 was open for public consultation from July to October 2008, and has served as the basis for further consultation and detailed consideration with Regional Working Groups between October 2008 and March 2009. In July 2009 the Production Principles and Criteria version 2.0 have been published ([www.bettercotton.org/index/10/growing\\_better\\_cotton.html](http://www.bettercotton.org/index/10/growing_better_cotton.html)).

In parallel, BCI is engaging key players along the cotton supply chain to ensure Better Cotton can be supported throughout the supply chain. Moreover, the "Assessment Program" as well as the "Membership Principles of Participation and Fees" are being finalized. Once the various elements of the Better Cotton System are established they will be used to start up implementation over a 3-year period, from 2010-2012, after which a full review will be carried out to make improvements. Ongoing cotton field projects, such as the IKEA/WWF projects in Pakistan and India and the M&S/WWF project in India will be adapted to test the BCI system.

### **1.7 What are its main challenges/shortcomings ?**

The main challenges for the BCI are:

- a) to establish a new more sustainable cotton commodity, which actually reaches more than a niche market;
- b) to balance supply and demand of Better Cotton throughout the initial phase in order not to lose interest and support from farmers nor from retailers & brands;
- c) to ensure the credibility of the system, not being a third party audited certification system but an inclusive enabling system, aiming at helping as many farmers as possible to continuously move towards increased sustainability;
- d) to secure short and midterm funding of the BCI and to finally develop a sustainable financing scheme for the initiative.

### **1.8 Who finances the BCI?**

BCI strives for a well-balanced financial support avoiding any financial dominance of one specific stakeholder group. BCI is currently funded by the Swedish International Development Agency (Sida), the Swiss State Secretariat for Economic Affairs (SECO), Interchurch Organization for Development Co-operation (ICCO) as well as BCI member organizations.

## **2. ABOUT THE BCI STANDARD DEVELOPMENT PROCESS**

### **2.1. What are the main impacts of cotton production ?**

The Better Cotton Initiative (BCI) exists in order to respond to the most severe impacts of cotton production worldwide. Cotton is a water-intensive and pest-sensitive crop, and is often grown in semi-arid and water scarce areas. Its cultivation represents over 2.4% of global arable land, involving about 30 million farmers. Cotton is produced in more than 65 countries worldwide, a majority of which are classified as developing countries. The economies of some developing countries and the livelihoods of millions of farmers and their families are dependent on cotton production. Approximately 80% of people involved in cotton production are on small farms. In this respect cotton is different from other value chains, where a greater proportion of people working in the sector are involved in large scale production.

### **2.2. What is/constitutes responsible/sustainable cotton production?**

Sustainable cotton production ensures that the agricultural activities do not have any harmful effects on nature and on people and that cotton farmers/farm workers and their families can decently live from the income of their work. The most relevant issues in conflict with sustainable cotton production are presently: high levels of pesticide use, overuse of water resources, poor soil management, poor working conditions (including child and bonded labour) and poor access to finance.

### **What are the BCI principles and criteria ?**

The principles and criteria of the BCI have been developed in a broad and open global consultation process, involving but not limited to Regional Working Groups in Brazil, India, Pakistan and West & Central Africa, BCI Advisory Committee members, Better Cotton Partners, and Experts. The Production Principles describe the broad areas under the control of the farmer that need to be addressed by the farmer for the production of Better Cotton:

1. Better Cotton is produced by farmers who minimize the harmful impact of crop protection practices
2. Better Cotton is produced by farmers who use water efficiently and care for the availability of water
3. Better Cotton is produced by farmers who care for the health of the soil
4. Better Cotton is produced by farmers who conserve natural habitats
5. Better Cotton is produced by farmers who care for and preserve the quality of the fibre
6. Better Cotton is produced by farmers who promote decent work

The Criteria listed under the production Principles provide a greater level of detail on the specific areas that need to be addressed within each Production Principle. Production Principles and Criteria are summarized at [www.bettercotton.org/pics/BCI\\_Production\\_Principles\\_and\\_Criteria\\_2.0\\_FINAL\\_eng\\_ext.pdf](http://www.bettercotton.org/pics/BCI_Production_Principles_and_Criteria_2.0_FINAL_eng_ext.pdf) and explained in more detail at [www.bettercotton.org/pics/BCI\\_Production\\_Principles\\_and\\_Criteria\\_2.0\\_Explained\\_FINAL\\_eng\\_ext.pdf](http://www.bettercotton.org/pics/BCI_Production_Principles_and_Criteria_2.0_Explained_FINAL_eng_ext.pdf)

Some of these Criteria, marked in bold blue text in the document, are BCI's 'Minimum Production Criteria', and represent the initial core requirements to grow Better Cotton. These Minimum Production Criteria, that farmers need to meet as the starting point in the cycle of continuous improvement and accessing the market to sell Better Cotton, were selected through a consultative process with the Regional Working Groups, as well as with existing initiatives. They form part of the requirements for a farmer to be a BCI Farmer. Staying a BCI farmer subsequently requires continuous improvement regarding the implementation of the additional criteria.

Underpinning the Production Principles and Criteria is the fundamental premise that growing Better Cotton respects national and other applicable law.

BCI is not a certification system, aiming at specifically labeled products but rather a market driven system helping as many farmers as possible to reduce the negative impacts of cotton farming while benefitting socially and/or financially from these changes and thus improving the over-all sustainability of cotton production.

### **2.3. Why are the RT's principles and criteria supported by WWF ?**

WWF supports the BCI principles and Criteria since they target the globally most relevant environmental and social impacts of cotton production and since they have been developed well in line with the draft WWF "must be" principles for defining a credible standard.

- The Principles and Criteria have been developed involving a diverse and balanced group of stakeholders, based on the newest scientific findings.
- The Principles and Criteria are focussing on few but on the most relevant environmental and social impacts of cotton production.
- The success of the system will be assessed based on a farm assessment and independent impact assessment.
- The system is developed in compliance with ISEAL's Code of Good Practices.
- Compliance with national and other applicable law is a fundamental premise of the BCI.
- The implementation of the Principles and Criteria is supported by National Guidance Material, which takes into account specific national/regional conditions and needs.

### **2.4. Who ensures that the P&Cs are implemented correctly ?**

Farm assessment will be carried out in form of a self-assessment carried out by the farmers or farmer groups. In addition there will be independent credibility checks. Impact assessment will be carried out independently (to be completed as soon as the Assessment Program is finalized)

## **2.5. What are next important steps in the development of the BCI P&Cs ?**

Once the various elements of the BCI System, including the Principles and Criteria, the assessment program, the link to the supply chain, and the enabling mechanisms are established (by end of 2009 latest) they will be used to start up implementation over a 3 year period, from 2010-2012, after which a full review will be carried out to make improvements. The implementation phase will primarily focus on the focal regions of the BCI, which are India, Pakistan, Brazil, West & Central Africa. The field projects will be carried out by implementing partners such as WWF Pakistan and WWF India in their respective countries. Implementation in the focal countries will be facilitated and coordinated by BCI Field Project Coordinators for South Asia, Africa and the South America.

## **2.6. Can the BCI P&Cs really ensure 'sustainability' ?**

Today, conventional cotton production is far from sustainable, having severe negative impacts on people and the environment. However, no other fibre – natural or synthetic – will in near future be able to cover the human need in a more sustainable way. Therefore, the strategy to work towards reducing the impacts and improving the sustainability of conventional cotton production over time is the only realistic promising approach.

## **2.7. What is the RT position on:**

### **a. GMOs**

Genetically modified (GM) cotton was developed to reduce the heavy reliance on pesticides. The bacterium *Bacillus thuringiensis* naturally produces a chemical harmful only to a small fraction of insects, most notably the larvae of moths and butterflies, beetles, and flies. The gene coding for Bt toxin has been inserted into cotton, causing cotton to produce this natural insecticide in its tissues. In many regions the main pests in commercial cotton are lepidopteran larvae, which are killed by the Bt protein in the transgenic cotton that they eat. Bt cotton is ineffective against many other cotton pests, however, such as plant bugs, stink bugs, aphids, etc.; depending on circumstances it may still be necessary to use plant protection measures against these. Bt cotton is widely used throughout the world, reaching 43% in 2007 and probably accounting for more than 50% of all cotton grown today. Most Bt cotton is grown in the US (>90%), India (>70%), and China (>70%) but it also widely used in Argentina, Australia, South Africa, Mexico and Columbia. The production of GM cotton has not yet been approved in the EU.

As an inclusive mainstream initiative, aiming to move the cotton commodity market towards more sustainability, the BCI will work with all farmers, including those who choose to grow GM cotton (e.g. Bt cotton). BCI has adopted a position of being 'technology neutral' with respect to GM cotton. This means that BCI will neither encourage farmers to grow it, nor seek to restrict their access to it, provided it is legally available to them. The focus is on enabling farmers to make informed choices about the available technologies to use, and how to use them appropriately, including the necessary precautionary measures. BCI encourages informed decision making at the farm level, to change practices that ensure improved outcomes - environmentally, socially and economically.

WWF does not support the use GM cotton. However, since Bt cotton is already a strong reality in cotton production, we need to support the engagement of the BCI with all cotton producers – regardless of the production system – if the BCI shall succeed in moving a relevant share of the cotton commodity market towards more sustainability. In this process WWF needs to make sure that- where Bt cotton is used to produce Better Cotton – all the necessary precautionary measures are in place. However, supporting the BCI approach does not preclude WWF from also supporting other cotton initiatives such as Organic Cotton or FairTrade cotton, which explicitly exclude GMO.

### **b. Biodiversity Protection and High Conservation Value Areas**

Criteria under the "Habitat Principle" that "Better Cotton is produced by farmers who conserve natural habitats" demand that "Practices are adopted that enhance biodiversity on and surrounding the farm" and that "The use and conversion of land to grow cotton conforms with national legislation related to agricultural land use". Latter is defined as a "minimum production criteria", which needs to be met by farmers before being able to join the BCI programme. Presently there is no specific criterion excluding Better Cotton being grown on agricultural land recently converted from HCVF or other HCV areas, except if this is prohibited by national law.

The reason is that this issue has not been proposed at any regional working group meeting or in any consultation as one of the most relevant impacts of cotton production. In India and Pakistan conversion of

HCV areas for cotton fields really seems to be a negligible issue. Based on Brazilian feedback, cotton production in Brazil does presumably not directly contribute to deforestation in the Amazon since climatic conditions in former Amazon forest areas are not ideal to grow cotton. However, an increase in cotton growing area elsewhere might promote conversion to grow other crops. However, there is limited information and methodological knowledge available, especially for Brazil and West & Central Africa, to reliably assess and judge the situation for cotton. The BCI Council (including WWF) therefore agreed to momentarily focus the Habitat principle on the two criteria mentioned above but to make use of the first three years of implementation to gather relevant information and to include a respective criteria if necessary, when revising the Principles and Criteria in 2012.

#### **c. Use of agro-chemicals**

Cotton is attractive to a range of pests, and subject to diseases and weed infestations. A range of techniques is available for their control and management: this includes the use of bio-control agents, pheromones and hormones; plant breeding and appropriate cultivar selection; various cultural and mechanical techniques; the application of conventional pesticides (both natural and synthetic) and more recently, the use of genetically modified plants. However, the use of synthetic pesticides is a dominant form of crop protection. Given this dominance, and that inappropriate or improper use of pesticides can adversely affect human health, contaminate water sources, food crops and the environment generally, the focus of the Criteria under this Principle is two-fold:

1. The adoption of Integrated Pest Management IPM and an emphasis on the use of pest control techniques other than pesticide application, in order to reduce reliance on pesticides, as well as the risks associated with pesticide use, over-reliance has led to pest resistance, disruption to populations of natural pest enemies and secondary pest outbreaks, all of which make crop protection more difficult and expensive;
2. The use of practices that minimize the potential harmful effects of pesticides.

[www.bettercotton.org/pics/BCI\\_Production\\_Principles\\_and\\_Criteria\\_2.0\\_FINAL\\_eng\\_ext.pdf](http://www.bettercotton.org/pics/BCI_Production_Principles_and_Criteria_2.0_FINAL_eng_ext.pdf)).

The BCI does therefore not exclude the use of pesticides totally but pesticides may only be used as a last resort if other measures fail and the cotton harvest is at risk. However, in criteria 1.3, particularly dangerous pesticides, listed in the “Stockholm Convention” (The Stockholm Convention on Persistent Organic Pollutants POPs, May 2004) are not allowed to be used under the BCI system. The use of other pesticides, such as WHO Class I, those listed by the Rotterdam Convention and endosulfan, is not prohibited to enter the BCI system, but a plan to phase out and replace these substances needs to be produced and submitted to BCI for approval within 1 year after joining the BCI.

This decision of the BCI Council is the result of a compromise. Whereas WWF and PAN-UK were in favor of also banning these pesticide groups from the beginning, other organizations feared that a substitution of these products by other, less harmful products would not be possible within a reasonable time frame and would therefore exclude a large number of especially smallholder farmers from participating in the BCI. The requirement for a country specific phasing out plan respects the potentially limited ability of smallholder farmers to change quickly but does show a clear commitment of BCI to abolish these substances as soon as possible.

#### **d. GHG emissions**

Greenhouse gas emissions from cotton fields have not been identified as one of the main impacts of cotton production by neither experts nor regional working groups. Therefore the BCI does not include specific criteria on GHG emissions. As nitrous oxide is a greenhouse gas, application of nitrogen fertilizer according to soil needs as required in the IPM principle will help reduce the greenhouse gas emissions associated with cotton production.

#### **e. Labour rights**

BCI has a strong focus on “Decent Work”, which includes labour rights. The Decent Work Principle “Better Cotton is produced by farmers who promote Decent Work” includes a series of criteria applicable to all, namely to smallholders (self employed/family smallholdings), smallholder employers and large farm employers as well as some criteria specific to smallholder employers and/or large farm employers. The former include criteria on “Freedom of Association”, “Health and Safety”, “Child labour”, “Forced labour”, and “Non-discrimination”. For the latter, criteria on “Collective Bargaining”, “Employment Conditions”, and “Basis Treatment and Disciplinary Practices” are added. From a WWF point of view it is crucial that:



- Smallholders have the right to establish and develop organizations representing their interest;
- There is no child labour allowed (in accordance with ILO Convention 138);
- The minimum age for hazardous work is 18 years;
- Employment is freely chosen;
- There is no discrimination.

For details see pages 6 and 7 of:

[www.bettercotton.org/pics/BCI\\_Production\\_Principles\\_and\\_Criteria\\_2.0\\_FINAL\\_eng\\_ext.pdf](http://www.bettercotton.org/pics/BCI_Production_Principles_and_Criteria_2.0_FINAL_eng_ext.pdf)

For the BCI – as for any other Standard or certification system – it will never be possible to guarantee that all the Decent Work Criteria are met everywhere and at all times. Regardless, it is of eminent importance that these criteria are included and enforced and that BCI farmers – small and large – understand and support these issues.