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Final Report: IMPROVING LIVELIHOODS AND ECONOMIC DEVELOPMENT IN COTTON-PRODUCING AREAS

IMPROVING LIVELIHOODS AND ECONOMIC DEVELOPMENT IN COTTON-PRODUCING AREAS

[1 September 2020]

[AID-OAA-F-16-00057]

DISCLAIMER

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ACRONYMS

ADS	Automated Directives System
DEC	Development Experience Clearinghouse
FY	Fiscal Year
SOW	Statement of Work
USAID	U.S. Agency for International Development
BCI	Better Cotton Initiative
IP(s)	Implementing Partner(s)
PU	Production Units
BCSS	Better Cotton Standard System
RB	Retailer and Brands
PU Managers	Production Unit Managers – often a farmer who has been selected by the group
P&C	Better Cotton Principles and Criteria
IPM	Integrated Pest Management

ABSTRACT

The Better Cotton Initiative was able to scale and meet its ambitious target with support from USAID DIV. In the 4 years of the grant, BCI via its Implementing Partners was able to reach over a million new cotton farmers in India, Pakistan, and Mozambique. In the same time, BCI's membership increased with over 1,500 new members of which 174 are new Retailer and Brand members. BCI has also been reached financial independence with core costs mainly covered by earned income. The supply of Better Cotton increased by almost 10% in the past 4 years and it forecasted to be 23.7% of global cotton production for the 2019-2020 cotton season.

EXECUTIVE SUMMARY

The support from the USAID DIV was received for the period 2016 – 2020 as BCI transitioned into its mainstreaming phase of BCI's strategy for 2020. It was also a period of organisational building that was made possible with the support from USAID DIV that contributed towards remarkable milestones over the past years to scale.

The supply of Better Cotton increased from 12% of the global cotton production in the 2015-2016 cotton season to 21.9% for the 2018-2019 cotton season. The forecast for the 2019-2020 season is 23.7% of global cotton production. The number of farmers increased from 543,000 in four countries (India, Pakistan, Mozambique, Senegal) to 1.7 million farmers in India, Pakistan and Mozambique.

BCI membership also skyrocketed from 468 members to 2,000 members by 31 August 202 with an increased focus on Retailers and Brands (RB) and their uptake of Better Cotton. At the time of application to USAID DIV, BCI had set a target of 900k MT lint uptake by RB members by 2019. However, by December 2019, the uptake of Better Cotton by RB members is over 1.5 million MT lint.

As the supply and demand for Better Cotton rapidly increased, so did the demand for credible data on farm level results, to help producers learn from their data and allow BCI to communicate the results from the field. During the reporting period, programmes were restructured, new positions created, and IT systems and processes were developed and strengthened, allowing BCI to better manage, analyse, learn from and communicate the data collected from the field. In 2018, the Better Cotton Standard system completed its two-year long review resulting in a revised Principles and Criteria to further strengthen the standard and maintain its relevance.

BCI's approach to mainstreaming Better Cotton has proven to be successful with increased interests from multiple stakeholders from farmers to retailers and brands. The growth and increasing influence of BCI in this period is astounding and it developed an innovative business model that ensures the credibility of a standard that is relevant in the sustainable cotton sector and maintains a strong secretariat as the guardians of the Standard.

With the support from USAID DIV, BCI was able to also leverage other funding over 2.5 million Euros from the C&A Foundation, Swedish Postcode Lottery Foundation, Swiss Development Cooperation via Helvetas, and ISEAL Innovations Fund.

As this funding comes to an end, many new exciting projects are planned to further address gaps and reinforce BCI's innovative approach to sustainability and measuring sustainability performance. Plans for beyond 2020 have already started with a 2030 strategy planned to be launched by the end of 2020.

BACKGROUND

- A. Overview of project including time frame, funding level (DIV and leverage from other funding sources) and brief contextual information about the location of implementation and testing.
- B. Description of organization/company.

The Better Cotton Initiative (BCI) is a global not-for-profit organisation and the largest cotton sustainability programme in the world. BCI exists to make global cotton production better for the people who produce it, better for the environment it grows in and better for the sector's future.

BCI is a joint effort – encompassing organisations all the way from farms to fashion and textile brands, and civil society organisations – driving the cotton sector towards sustainability. Together with our partners, we provide training on more sustainable farming practices to more than two million cotton farmers in 21 countries. BCI does not work directly with farmers, instead we work with Implementing Partners (IPs) around the world, who are responsible for creating an enabling environment for the farmers to participate in the Better Cotton Standard System (BCSS) to grow and sell Better Cotton.

The funding from DIV contributed towards various BCI's programmes and assisted BCI in leveraging other funding. The funds was used across BCI's global work to strengthen its standard, systems and mainstream Better Cotton.

During the grant timeframe, BCI was able to secure grants valued at over 2.5 million Euros from C&A Foundation (now Laudes Foundation), Swedish Postcode Lottery Foundation, ISEAL Innovations Fund, Swiss Development Cooperation via BCI partner Helvetas to name a few. The grants co-funded work on developing training modules for the Implementing Partners, field testing revised Better Cotton principles and criteria such as water, landuse, biodiversity, and gender. Grants from SDC focused primarily on water. BCI also received emergency funds from Laudes Foundation for IPs in India, Pakistan, Mozambique responses to COVID-19.

Donor	Grant Size in Euros	Grant Duration
C&A Foundation	1,500,000	2016-2019
Swiss Development Cooperation / Helvetas	491,341	2015-2018
IDH	18,000	2016
King Edward VII	114,092	2017
Swedish Postcode Lottery Foundation	250,000	2018
ISEAL Innovations Fund Delta Project	515,000	2018-2021
Swiss Development Cooperation / Helvetas	419,711	2018-2021
GIZ	1,000,000	2019
ISEAL Innovations Fund Atla Project	160,000	2019-2022
HSBC Grant	38,000	2020
Laudes Foundation Emergency Funds	160,000	2020

PROGRAM DESIGN & IMPLEMENTATION

A. What were the goals/targets of the project?

The main goal was to improve the livelihood of cotton farmers by scaling BCI's work and mainstreaming Better Cotton by reaching more farmers to practice sustainable cotton farming practices using the Better Cotton Standard System; to increase commitment to and the flow of Better Cotton through the supply chain with a focus on the uptake of Better Cotton by Retailers and Brands; and to ensure the credibility and sustainability of BCI by reaching 100% financial independence in 2020.

BCI's scaling-up effort was challenged by its reliance on 'manual' learning tools and this grant supported the creation of the BCI training academy and the development of training modules, in particular, research and training modules on safe pesticides use, personal protection equipment, and IPM best practices. The grant also helped BCI leverage funding from other sources such as C&A Foundation and Swedish Postcode Lottery to contribute towards the set up of the BCI Training Academy.

The grant also supported BCI in growing its membership base. Membership grew from 468 members with 33 Retailer and Brand Members in 2014 to 2000 members with 207 Retailer and Brand Members by 31 August 2020.

B. Describe the implementation of this project.

THE BETTER COTTON STANDARD SYSTEM

BCI is committed to reviewing and updating components of the Better Cotton Standard System every 5 years to integrate feedback from stakeholders and maintain the Standard's relevance. The revised Principles and Criteria (P&C) of the Standard, approved by the BCI Council in November 2017, were the culmination of a thorough and rigorous process, involving more than two years of stakeholder consultation which included numerous outreach activities, reviews by the BCI Standard Review Committee and two public consultations in February 2016 and January 2017.

One of the initial tasks in the early phase of the review was to map and analyse the stakeholders to develop a strategy to inform the process and engagement. A core component of the review consisted of public consultations and forty-three responses were received from BCI members and stakeholders in the first round showing particular interest in Principles 1, 2, and 6. The review included both content and structure of the Principles and Criteria and resulted in an enhanced standard system that reflects the reality of social, economic and environmental challenges and best practices in cotton production today. In conducting this review, BCI followed the International Social and Environmental Accreditation and Labelling Alliance (ISEAL) code of practice for setting and reviewing standards.

The revised P&C includes one new Principle 7 on management. Other significant changes in the new version of the BCI Principles and Criteria cover aspects within the areas of crop protection, water stewardship, biodiversity management, high conservation value assessment (HCV), soil management, climate change, gender equality, fibre contamination and recording sales. In 2018 and 2019, some of the new aspects in the P&C (such as water stewardship, biodiversity, and landuse), were tested, allowing feedback back on interpretation and implementation of the principle and its criteria. The full new Principles and Criteria was effective in March 2019.

Capacity Building

Capacity building is an essential element of the BCSS, as it ensures credible implementation of the Better Cotton Principles and Criteria. BCI does not train cotton farmers directly. Instead, BCI works closely with

experienced partners in the countries where Better Cotton is grown. BCI Country Teams have provided support to such Implementing Partners (IPs) and conducted annual training and refresher training for existing and new IPs. The annual BCI Implementing Partner Meeting and Symposium started in 2016 and has become a space to share best practices on topics such as integrated pest management (IPM) and experiences in implementing the P&C.

The training of and support to cotton farmers underpin the implementation model and success of BCI and its standard. BCI's scaling-up effort was challenged by our reliance on 'manual' learning tools. The BCI Training Academy was built on BCI's 'Train the Trainer' model to deliver the training on the standard and to make available training on sustainable farming practices and services in the field. The BCI approach consists of BCI training its Implementing Partners (IPs) and their staff. IP who are trained by BCI global staff then provide training to field facilitators who gather farmers in learning groups for training sessions.

In 2017, BCI enhanced its programme with a new Learning and Development Strategy and roadmap for the creation of a BCI Training Academy, which included a qualification management system and training modules for trainers. With co-funding from the Swedish Postcode Lottery and C&A Foundation, the Better Cotton Training Academy was established, By creating an online training platform to host the new training modules, BCI can scale up faster and provide a first-class learning tool to reach more people all over the world in a cost-efficient and technologically effective way. Data visualisation tools and learning dashboards were also developed that are accessible to Managers and Field Facilitators so that they can be shared directly with farmers.

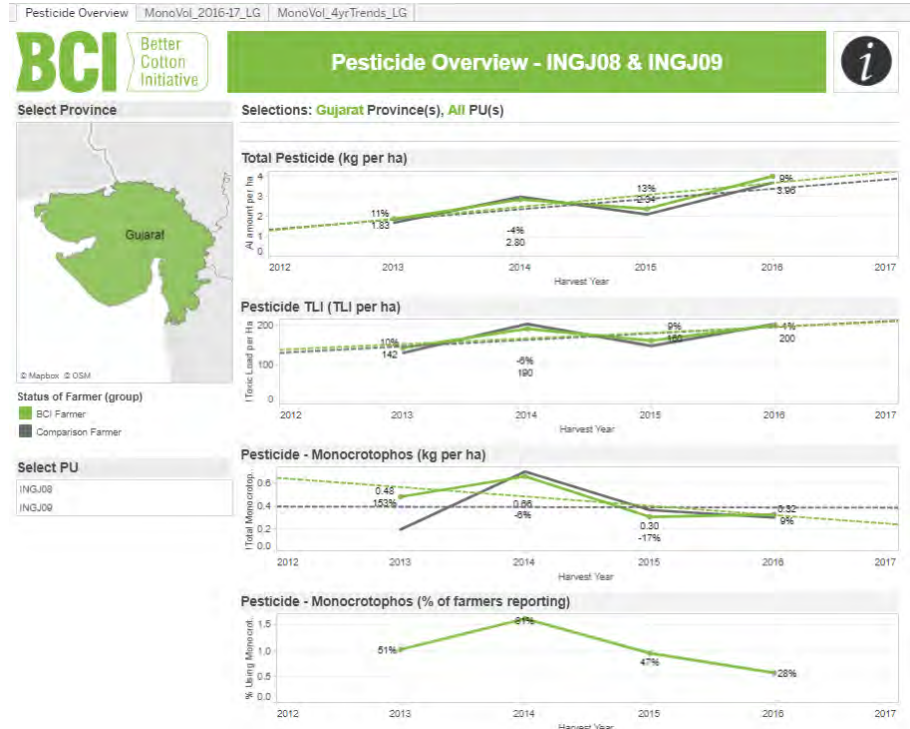
Face to face modules for the following topics were completed at the end of March 2019 and distributed to Country Teams to use as the basis for training IPs in their respective countries before the cotton growing season began. The IPs have adapted this training for their field staff, PU managers and Field Facilitators, who in turn will train the farmers they are working with.

These modules were split into several sections to make it easier to digest for participants:

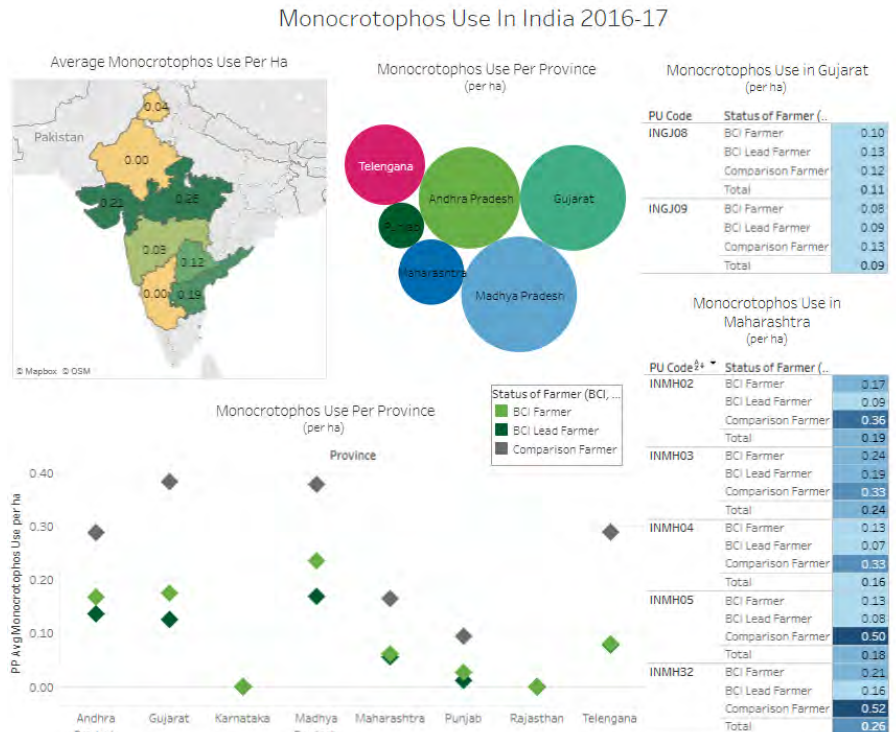
- High Conservation Value Training modules
- Water Stewardship Training modules
- Integrated Pest Management (IPM)
- Understanding Pesticide Toxicity – in addition to including to information on pesticide toxicity and alternatives to chemical pesticides, an additional section on the lessons learned from IPs for successfully replacing Highly Hazardous Pesticides (HHP) with IPM methods was created; a specific module on eliminating the use of the HHP monocrotophos in India was also added as this was a particular challenge in this country
- Responsible Pesticide Use and Personal Protective Equipment (PPE) including of the concept of Minimum Personal Protective Equipment (MPPE);
- Biodiversity management plan to identify, map and enhance biodiversity resources- this was enhanced by the participation of the HCV consultant in the face to face training in India and a subsequent field visit to try out the methods being trained on which facilitated further improvements to the module;
- Soil management in particular a more comprehensive approach to soil management which requires producers to better understand the soil structure and its needs;
- Gender equality to align with ILO Decent work agenda requirements;
- Assurance and auditing procedures
- Internal Management System (IMS) comprising the following components:

- Introduction and overview
- Continuous Improvement Planning process
- Data management and data quality
- Training tips and methods for farmer training

In April 2019, English language versions of the online modules for Producer Unit managers were launched for the Assurance and four sections of the Integrated Pest Management module. Over 100 PU managers successfully passed the modules and gave a lot of positive feedback. BCI initially envisioned 1000 users, however, after careful consideration, it was decided to initially focus on the 150-200 PU managers and IP coordinators who could understand English.



Other efforts in this area include BCI's work on the Results Indicator Learning Dashboards detailing a Producer's performance against different indicators in the BCI Standard. These have been shared with Implementing and Strategic Partners, to facilitate learning about how they can improve their performance based on analysing their data and those of other Producers.



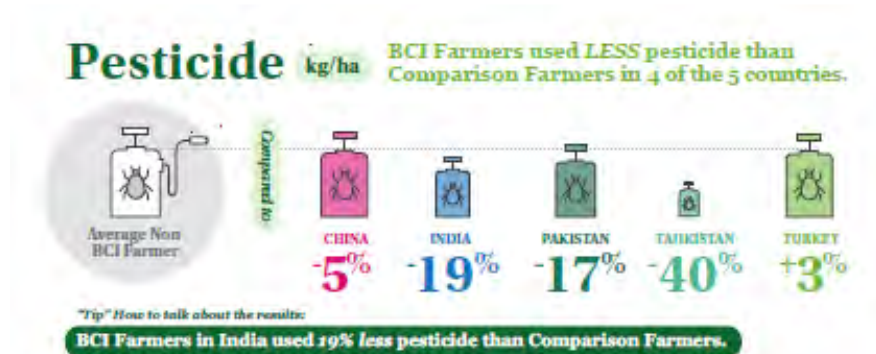
The dashboards¹ below show progress over time towards BCI Farmers phasing out a highly hazardous pesticide, Monocrotophos, which is now prohibited under the new version 2 of the BCI Standard. Thanks to the consultations during the field visits, good progress was made improving the dashboard design to make them more relevant at the field level.

To ensure the quality and credibility of the RI data that is being collected and analysed, a Data Quality Assessment (DQA) protocol has been developed and piloted within 2 PUs and 2 IPs (ACF and WWF) in Punjab, India in 2018. This work has helped to establish the foundation for a standardised process to be rolled out globally.

BCI has piloted the sharing of the 2017-18 Self-Assessment (SA) Dashboards of Large Farm (LF) and Producer Unit (PU) data by granting web-based access to BCI staff and through disseminating PDFs to select IPs in the USA and India. Following the learnings from the pilots, BCI has developed a process to share the 2019-20 SA Dashboards of LF and Smallholder and Medium Farm PU data with IPs (and possibly PU Managers) during 2020-21 pre-season trainings in order to help inform the development of their Continuous Improvement plans for that upcoming season.

As a result of these training and adoption of Better Cotton Principles and Criteria on their farms, BCI farmers produce better results versus comparison farmers. The farmer results below compare the country averages of key social, environmental and economic indicators

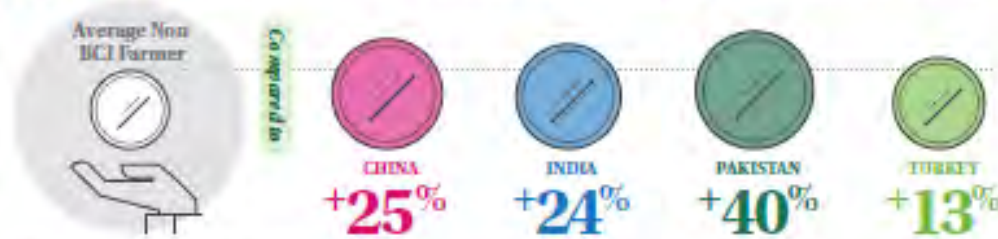
achieved by licensed BCI farmers to non- BCI farmers in the same geographic area who are not participating in the BCI Programme. An example of the farmer results for the 2017-2018 season is below. A copy of these results is also attached in Annex 2.



¹

Images of the Learning Dashboard in the report are only for this reporting purposes and not to be shared without BCI's written approval.

Profit net income/ha **BCI Farmers in 4 of the 5* countries had HIGHER profits than Comparison Farmers.**



Tip How to talk about the results:

BCI Farmers in Turkey had 13% higher profits than Comparison Farmers.

**Due to data quality challenges with Comparison Farmers, the profitability indicator for this season has been omitted for Tajikistan.*

SCALING UP SUPPLY AND ACCELERATING DEMAND

The mainstreaming phase of Better Cotton saw the scaling up of supply as well as working simultaneously to accelerate demand for Better Cotton. In the 2016-2017 cotton season, BCI had 836,540 farmers in India, Pakistan, Senegal and Mozambique. By 2020, BCI has 1,706,405 farmers in India, Pakistan and Mozambique. Unfortunately, BCI's engagement in Senegal ended in 2018 due to changing priorities from cotton to other crops in Senegal.

In 2017, new Better Cotton countries included Israel, Kazakhstan, South Africa, and Madagascar. While BCI has grown rapidly over the last years, expanding to too many countries too quickly can be challenging. BCI has received numerous requests from countries to implement the BCSS, and reviews each request strategically before taking any action. To ensure transparency and fairness in how requests are treated, a BCI new country start up policy was developed in 2015 and introduced in 2016. The strategic criteria in the policy include multi-stakeholder ownership, demonstrable need, production volume and financial support.

DEMAND AND UPTAKE OF BETTER COTTON

For Better Cotton to become a truly mainstream commodity, BCI's membership base needs to grow. Membership grew from 468 members with 33 Retailer and Brand Members in 2014 to 2000 members with 207 Retailer and Brand Members by 31 August 2020. BCI Retailer and Brand Members play an important role in generating demand for Better Cotton, making sure the cotton that is grown in accordance to the Better Cotton Standard System is bought and sold as Better Cotton. In 2017, BCI's Retailer and Brand Members succeeded in doubling the uptake of Better Cotton and Better Cotton accounted for 14% of global production in the 2017-2018 season, bringing BCI ever closer to a tipping point. At the time of USAID DIV application, the uptake by RB members was 320,000 MT lint. By December 2019, the uptake of Better Cotton by RB members was over 1.5 million MT lint.

Nearly half of BCI's Retailer and Brand Members have made public, time-bound commitments to source 100% of their cotton from more sustainable sources. The commitments from Retailers and Brands drive the uptake of Better Cotton as they have a real business case to address sustainability and demonstrate action. All BCI's Retailer and Brand Members have set targets for Better Cotton sourcing and publicly communicate their commitments. This global demand for Better Cotton provides smallholder farmers opportunities to access global markets. The large and influential member-base means BCI can drive transformational change by establishing Better Cotton as a responsible mainstream commodity. The targets further enable BCI to strategically work towards its overall goal of 30% of global cotton

production in 2020 as a tipping point to mainstream Better Cotton. By achieving this level of production, BCI's stakeholders aim to enable market transformation of the cotton sector and promote the future of more sustainable production for generations to come.

FINANCIAL INDEPENDENCE

As highlighted in BCI's 2019 annual report, BCI's target to be financial independent has been achieved. BCI's operational costs include the service delivered to members in overseeing the Better Cotton Standard System, managing governance and supporting supply chain actors in implementing the Better Cotton Chain of Custody. As of 2019, core operational costs are covered by earned income, and all donor funding goes to field-level activities and innovation.

As BCI has grown and recruited more Retailer and Brand Members, there has been a rise in smaller retailers and brands participating. Therefore, the increase in participation does not directly translate to a corresponding increase in income levels. Membership fees are determined on a number of factors including a company's turnover.

The Volume-Based Fee (a fee paid by Retailer and Brand Members to BCI based on the amount of Better Cotton they source) continues to be a significant part of the funding directed to farmer support and training. The income from the fee is donated by Retailers and Brands through BCI to the Better Cotton Growth and Innovation Fund, which makes strategic investments in Better Cotton projects (find out more about the Better Cotton Growth and Innovation Fund below).

Additionally, BCI's focus on strengthening the credibility of the Better Cotton Chain of Custody resulted in 5,665 organisations signing up to use the Better Cotton Platform (our digital system) to record volumes of Better Cotton entering and travelling along the supply chain, up from 2,000 organisations in 2018. This increase was largely due to two new developments: a requirement for suppliers and manufacturers to become platform users and record transactions on the system as the previous paper-based transactions are phased out; and the launch of an integrated registration and payment system, facilitating sign-up. We also offered introductory fee reductions to further increase user registrations. Better Cotton Platform user fees are lower than BCI membership fees and non-member users of the system do not have the same benefits or obligations as BCI Members.

Donor funding continues to be an important part of our approach to fund efforts to train and support farmers. The funding has enabled BCI to build a solid infrastructure and strengthen its programmes and membership base around the world. We will continue to focus on deepening field-level impact and will work to see the financial commitments of retailers and brands match-funded by donors to continue to build the scale and impact of farmer capacity building projects across the globe.

Funding secured by the BCI secretariat from 2016 - 2020 include:

Donor	Grant Size in Euros	Grant Duration
C&A Foundation	1,500,000	2016-2019
Swiss Development Cooperation / Helvetas	491,341	2015-2018
IDH	18,000	2016
King Edward VII	114,092	2017

Swedish Postcode Lottery Foundation	250,000	2018
ISEAL Innovations Fund Delta Project	515,000	2018-2021
Swiss Development Cooperation / Helvetas	419,711	2018-2021
GIZ	1,000,000	2019
ISEAL Innovations Fund Atla Project	160,000	2019-2022
HSBC Grant	38,000	2020
Laudes Foundation Emergency Funds	160,000	2020

An important financial mechanism BCI uses to support its efforts in the field, is the Volume-Based Fee (VBF). BCI Retailer and Brand Members pay this fee based on their own sourcing declarations made via the Better Cotton Platform. The funds are primarily allocated to the Better Cotton Growth and Innovation Fund which invests in farmer capacity building and support, and also funds innovation to strengthen impact and make implementation more efficient.

Launched in 2016, the GIF is a global project portfolio designed to become a catalyst for transforming cotton production around the world. In its first year, the GIF mobilised a project portfolio of €8.9 million, including direct investments totalling €4.2 million to provide farmers with essential training. In 2017, BCI and the GIF directly invested €4.4 million, 41% of the total portfolio, which enabled 613,755 farmers across China, India, Mozambique, Pakistan, Tajikistan, Turkey and Senegal to access training on more sustainable cotton production. Most partners receiving funding through the Fund co-fund their projects. In these cases, partners invest directly in the project, so their contribution is not recognised in the accounting of the BCI Secretariat or GIF, although BCI plays a role in catalysing this field-level investment. This financial contribution system provides a fair and sustainable way to cover the costs of building the capacity of farmers to grow Better Cotton.

Two multi-stakeholder committees set the GIF's annual investment programme: The Buyer and Investor Committee (BIC) and the Field Innovation and Impact Committee (FIIC). The BIC is charged with linking supply and demand and proposing new strategic initiatives, while the FIIC is charged with running the annual application process and seeking out new approaches to more effective and efficient implementation.

The success of the GIF is directly linked to the commitment of BCI Retailer and Brand Members and their VBF. In the last 3 years, BCI saw its retailer and brand membership base grow significantly and this number is expected to continue to rise, a positive sign for the growth of the GIF.

Global institutional donors and government agencies are invited to match the fees contributed by the private sector to achieve a multiplier effect. In 2016, the BCI GIF attracted investment from the Australian Government's Department of Foreign Affairs and Trade (DFAT), The German Government's Federal Ministry for Economic Cooperation and Development (BMZ), and The Sustainable Trade Initiative (IDH). Indirect supporters through IDH include the Dutch Government, the Swiss Government and the Danish Government. The global nature of these bodies echoes the GIF's scope and potential.

This business model enables a mutually beneficial cycle whereby as demand for Better Cotton increases, the flow of funding to farmer training programmes rises, thereby expanding farmers' knowledge of better practices. Through training, farmers can reduce negative environmental impacts, and improve their productivity while increasing the supply of more sustainable cotton available on the global market.

- C. What organizations or stakeholders did you engage to implement the project? Please describe those relationships.

Collaboration and partnerships have been integral to BCI from the outset and have enabled BCI’s rapid growth as it works towards its 2020 goals. BCI has 73 Strategic and Implementing Partners and 2000 member organisations and 3,824 field facilitators, creating a robust global network to scale the production and accelerate the uptake of Better Cotton. BCI expects to continue to grow its robust network and influence in the sustainability sector as a business model for market transformation.

Some examples of partners include:

- National or regional cotton producers’ organisations, e.g. ABRAPA in Brazil, Cotton Australia in Australia, APROCA in Mali.
- Governments and governmental bodies related to cotton production, marketing, processing and trading, e.g. The Cotton Institute of Mozambique (IAM), the government body that oversees the cotton sector.
- Entities created ad hoc to grow, promote and sell Better Cotton, e.g. İyi Pamuk Uygulamaları Derneği – IPUD (the Good Cotton Practices Association) in Turkey.
- Initiatives working to promote sustainability in the cotton sector, e.g. Cotton Made in Africa, managed by Aid by Trade Foundation.
- Different Implementing Partners all over the world, who work with farmers at field level to ensure that they are producing cotton according to the Better Cotton Standard.

BCI also partners other organisations outside of the cotton sector, for example, the Global Coffee Platform and International Coffee Organisation, to develop a sustainability framework that can be applied across commodities.

A copy of BCI’s global partners can be found on Annex 3.

- D. What were the demographics of the beneficiaries (or customers, if this is a private sector project)? How did you determine who participated / benefited?

The main beneficiaries are the cotton farmers. The total number of farmers reached in India, Pakistan and Mozambique is 1,706,405.

Key Performance Indicators			
Sub goals	Outcome Indicator	2016	2020
Subgoal 1.1 Increase number of BC Farmers reached in India, Pakistan, Senegal and Mozambique	Number of Farmers in India, Pakistan, Senegal and Mozambique	543.000	1.706.405,00

A snapshot of each BCI country can be found on this BCI [webpage](#). Stories from the fields can also be watched and read on the BCI website:

India: <http://stories.bettercotton.com/SFPO/>

Pakistan: <http://stories.bettercotton.com/ruksana/index.html>

Mozambique: <http://stories.bettercotton.com/Belta/index.html>

Other stories from the field can be read on this webpage: <https://bettercotton.org/stories-from-the-field/>

- E. What challenges arose during program implementation, and how were they addressed?
- The delay of the revision of the Better Cotton Principles and Criteria affected different work plans and implementation of grant funded activities. However, the delay was necessary to ensure a comprehensive review of the Principles and Criteria and to receive wider feedback from BCI's stakeholders.
 - Working with a large number of farmers and in many countries can be challenging for the data collection and analysis. As a result, BCI has improved and will continue to strengthen its data systems to ensure quality and accuracy of its data. A new position of Data Analyst and Learning Coordinator was created in 2018, and new systems introduced to improve data analysis and display through a software called Tableau. The Online Project Database (OPD) was also developed in 2016 and through its improved information management capabilities, powered by the Chainpoint platform, producers in the Large Farm category can now report their results online. The monitoring and evaluation team is currently working on a data warehouse to analyse the results indicators to facilitate longitudinal analysis. Despite these new improvements in the IT systems, human resources in cleaning and analyzing the data within BCI is limited with only one data analyst in the global office.
 - One of the challenges for BCI's scaling was the reliance on manual learning tools. As a result, an online training platform was developed in 2018 which has provided BCI Implementing Partners and Field facilitators access to resources. BCI had to review the current tools it used and make necessary changes to systems to facilitate the work of this online training programme.
 - IT challenges slowed down BCI's work as the organisation grew rapidly with a lot of work still done manually and consuming a lot of time of already stretched BCI staff. In 2019, a new IT team was formed to strengthen BCI's system and streamline the different platforms and applications used. To address the increasing demand on managing relationships such as members and donors, and financial requirements, new systems such as Salesforce and Financial Force were implemented in 2019.

EVALUATION DESIGN

Measuring and evaluating BCI's systems and data enables also BCI to continuously improve and to better support farmers. Improved farming practices lead to positive results for farmers, farm workers, and communities, as well as for the sector as a whole. Understanding the impacts of standard systems on the livelihoods of smallholder farmers is vital to evaluating progress and continuously improving standards. BCI participated in independent research efforts commissioned by the C&A Foundation in 2017 – complementary environmental life cycle and socio-economic assessments in Madhya Pradesh, India. In the same year, BCI also commissioned a case study in Gujarat, India, to examine progress in phasing out a hazardous pesticide and the role of BCI's Implementing Partners.

In 2015, BCI joined ISEAL's "Demonstrating and Improving Poverty Impacts" project, which seeks to determine how three agricultural sustainability standards, including the Better Cotton Standard System (BCSS), affect farmers' lives in the long term. Through rigorous impact evaluations, ISEAL will explore every aspect of these standards, from pre-certification to three years after certification (in BCI's case, pre-licensing to post-licensing). Financed by Ford Foundation, the new studies will supplement the world's growing body of knowledge on the impact of sustainability standards, while covering important new ground. The ISEAL assessors are taking a comprehensive approach to evaluating the BCSS, running a randomised controlled trial (whereby Better Cotton farms in southern India will be selected at random and compared to a conventional farm) supported by in-depth surveys. Their initial baseline report is rich in learning about the context in which BCI is working, and assesses the potential of its standard system to create change over the next three years.

BCI also continues to participate in independent research led by the Copenhagen Business School, focusing on results and impact in India and Pakistan. Copies of the DIPI baseline report and other research documents can be found on the [BCI website](#).

In 2019, C&A Foundation conducted an independent external evaluation of BCI related to the grant it received. The external evaluators conducted semi-structured interviews with over 40 people including BCI staff, cotton industry partners, partner organisations and C&A Foundation staff. The outcome of the evaluation was positive with many lessons for BCI to learn from. A copy of the evaluation report is included in Annex 1.

Evaluation of the Project as per the Rubric

RELEVANCE	EFFECTIVENESS AND RESULTS	EFFICIENCY	LIKELY SUSTAINABILITY
Fully Relevant (5)	Quite Effective (4)	Quite Efficient (4)	Mostly Satisfactory (4)

FEEDBACK FOR USAID

- A. Please describe your interactions with DIV, and how have they impacted the program?

The interactions with the DIV staff have been positive and supportive. They have been patient with us as the organisation experienced changes in staff and delays in data availability.

- B. What was the value-add of DIV's financial support? What would have happened without this support from USAID?

The financial support from USAID DIV has been crucial for BCI's scaling and to achieve what it has as an organisation in a short period of time. The grant has helped BCI leverage other funds to reach the scale that it is today and allowed BCI to invest the funds in the areas needed.

- C. Aside from financial support, were there other benefits received from DIV? How does DIV compare to other funders?

Unfortunately, due to personnel changes within the organisation, we have not been able to benefit from other support that could have been provided by DIV such as expertise on certain issues to strengthen BCI's work in other areas.

- D. How can DIV remain involved in understanding and supporting your activity after the end of our formal relationship?

DIV can continue to follow BCI's progress and participate in virtual meetings with other donors organized by BCI. DIV can also provide advise on how BCI can access other USAID funding or link with other donors.

- E. How can DIV improve? What were the strengths and weaknesses of your experiences working with DIV? You may wish to comment on some of the following: the application process, the reporting requirements, feedback you received on deliverables, the payment process, other interactions with USAID, or whether the fixed obligation grant /cooperative agreement allows the appropriate level of flexibility.

DIV has been very flexible and understanding with BCI and we appreciate the openness and patience of the team.

ANNEXES

1. C&A FOUNDATION EVALUATION REPORT 2019
2. 2017-2018 FARMER RESULTS
3. BCI PARTNERS JUNE 2020
- 4.

Better Cotton Initiative
Ch. de Balexert 7-9
1219 Châtelaine
Switzerland