



10
YEARS
partnership between

IDH, The Sustainable Trade Initiative and Better Cotton Initiative
in making a difference in sustainable cotton

2019 marks a milestone for **IDH, The Sustainable Trade Initiative** and **the Better Cotton Initiative (BCI)** as the organizations celebrate a decade of working in partnership to create and scale sustainable cotton production around the world.

Cotton is the most widely used natural fiber in the world. However, many cotton growing methods place unsustainable levels of stress on the environment and the people who produce it.

Our journey towards sustainable cotton started with IDH scoping the issues in cotton production to understand key players and

how the supply chain is organized. The results were clear: sustainability in cotton growing is paramount for not only the supply chain, but also for brands and retailers as well.

To instigate this level of systemic change, over the past ten years, IDH and BCI have worked together to develop Better Cotton as a sustainable mainstream commodity.

The 10-year journey

IDH and the Better Cotton Initiative (BCI) established the Better Cotton Fast Track Program (BCFTP) in 2009, to accelerate implementation of the Better Cotton Standard as the mainstream global cotton standard.

BCFTP convened front-running apparel brands to form a pre-competitive coalition together with public funders with the goal of creating more sustainable cotton that can be produced and procured as a mainstream commodity.

In 2016, the program transitioned to the Better Cotton Growth & Innovation Fund (Better Cotton GIF or the Fund) to continue the work started under the BCFTP, which was facilitating production of nearly two million metric tonnes (MT) of Better Cotton lint. The goal of the Fund is to support BCI in its goal of reaching five million farmers in key cotton producing countries and have Better Cotton account for 30% of global cotton production by 2020.

Through the years, the the BCFTP and the Better Cotton GIF have also deployed innovative solutions across focus countries with an emphasis on continuous improvement as well as enhanced value propositions and new models for engaging farmers, supply chain companies, and governments.

Today, the Better Cotton GIF is a trusted, cohesive, and efficiently run public-private partnership. It mobilizes brands and retailers, facilitates dialogue and sharing of lessons between stakeholders, and attracts public and private investments to enable the transition to a market-driven funding model.

As a direct result of these collaborations, the Better Cotton Standard now claims the largest global share of more sustainably produced cotton in terms of volume.



Reflections

Though this journey has not been without challenges, the Fund has reached farther than initially imagined, and the production of Better Cotton has grown faster than expected. In the 2019-20 cotton season, the Better Cotton GIF expects 1.8 million licensed BCI Farmers* (supported by the Fund) to produce over three million MT of Better Cotton*.

Reflections from those involved:



“From 2009 on are working together with BCI to transition the cotton market towards sustainability. Together, we have successfully shifted close to 20% of the cotton market towards more sustainable cotton production, improving the sources of livelihoods of over two million cotton farmers globally. We have built strong long lasting public private collaborations to make this happen. We could not have accomplished this alone - without our public and private partners, the growing support of our funders, and farmers showing conviction in our interventions.”

Joost Oorthuizen, Executive Director - IDH



“At BCI we are proud of our association with IDH and grateful for their partnership. IDH continues to break new ground in sustainability with innovative forms of financing and approaches to sustainable production. As we embark on our second decade of collaboration, we are confident that IDH's skills and propensity to look ahead of the curve will ensure BCI meets its ambitious targets.”

Alan McClay, Chief Executive Officer - BCI



“Over these past 10 years, IDH and BCI have together come a long way in achieving market transformation towards sustainable cotton. The model is now established as one of the most successful sustainable standards globally - which has been possible due to this transformative partnership. While BCI took care of the standard implementation, IDH focused on fund management and innovation within the program. With a clear roadmap, we have been able to excel within our roles.”

Pramit Chanda, Program Director - Cotton, IDH



“Over the years, IDH has been a constant source of inspiration, encouragement and support for BCI. In the early days they challenged the BCI community to show that we were serious about turning our idea of scaling sustainable cotton production into a reality. The initial 'Better Cotton Fast Track Programme' and the successive 'Better Cotton Growth and Innovation Fund' have had a transformative impact on demand for, and supply of, Better Cotton. I look forward to another 10 years of innovation and collaboration with IDH.”

Lena Staafgard, Chief Operating Officer - Better Cotton Initiative

2009

Better Cotton Production Principles Released



2011

- Fund value: Euro 4.3 million
- Farmers: 90,000
- MT Lint: 200,000
- Countries: + Brazil
- Retailer and Brands: +adidas

2013

- Fund value: 5 million
- Farmers: 210,000
- MT Lint: 749,000
- Retailer and Brands: +VF Corporation, TESCO, Tommy Hilfiger
- Countries: +Mozambique Original BCFTP MT goal - 1 million MT Achieved! - New 2015 goal set as 1.5 million MT.



2010

- 2010 - Fund value: Euro 1.7 million
- Farmers: 28,000
- MT Lint: 35,000
- Countries: India, Pakistan, Mali
- Retailer and Brands: H&M, Levi's, IKEA, Marks & Spencer First Better Cotton Fast Track Program (BCFTP) Investment Cycle

2012

- 2012 - Fund value: Euro 5.6 million
- Farmers: 163,000
- MT Lint: 623,000
- Retailer and Brands: +Nike, Walmart
- Countries: +China

2014

- Fund value: Euro 6.2 million
- Farmers: 375,000
- MT Lint: 1,400,000
- Retailers and Brands: +BESTSELLER, - Walmart Announced IDH as Strategic Partner to Better Cotton Growth & Innovation Fund

2015

- Fund value: Euro 9.3 million
- Farmers: 663,000
- MT Lint: 1,900,000
- Retailers and Brands: +C&A
- Countries: +Turkey, Tajikistan

End of BCFTP Program - Farmer and Production targets achieved!
11 front-runner brand members
Total fund value: Euro 34 million

2017

- Fund value: Euro 9.4 million
- Farmers: 1,017,500
- MT Lint: 1,292,800
- Launch of Innovation Framework
- Scoping study in Greece
- BMZ joins FIIC

2019

- Euro 14.9 million*
- Farmers: 1,874,000*
- MT Lint: 3,131,500*

- Launch of innovation project in India - Skill development tool for FFs Innovation challenge launched
- C&A Foundation joined FIIC

One million farmers reached in India



2016

Launch of Better Cotton Growth and Innovation Fund

- Fund value: Euro 8.9 million
- Farmers: 610,800
- MT Lint: 1,631,600

- Retailer and Brands:
- Countries: India, China, Pakistan, Tajikistan, Turkey, Mozambique, Senegal

2018

- 2018 - Fund value: Euro 14.4 million*
- Farmers: 1,362,000*
- MT Lint: 2,623,000*
- 1 million farmers reached
- Launch of innovation project in China - Nongjibao app
- Launch of online RFP
- DFAT joins as a funder



*The figures presented within the report are estimates for the 2018-19 and 2019-20 seasons. BCI will publish final figures, once the seasons are complete.
Disclaimer: Due to rounding, numbers presented throughout this and other documents may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.