



# Briefing Paper on CBS research

## Considerations for scaling impact identified from research into BCI implementation in India and Pakistan

With the aim to train five million farmers and account for 30% of global cotton production by 2020, how can BCI achieve its growth goals while ensuring it “makes cotton production better for the people who produce it, better for the environment, and better for the sector’s future”?

A study specifically looking at India and Pakistan, two of the three largest BCI licensed cotton growing regions, sought to find out how BCI has been formulated, how BCI has been implemented and how BCI affects incomes and the environment in this region. The findings from the first two papers published give insights into the current and future challenges for scaling up at speed.

### Research project

The independent research study was carried out by a team led by Professor Peter Lund-Thomsen at Copenhagen Business School (CBS).

- Research question 1: ‘How was the Better Cotton Standard System formulated between 2004 and 2010?’ The research team conducted approximately 40 interviews with brands, NGOs, government representatives, BCI staff, consultants in India and Pakistan and academics in Europe and North America.
- Research question 2: ‘How was the Better Cotton Standard System implemented in Pakistan and India in 2014-2015?’ The team completed another 80 interviews with BCI Implementing Partners (IPs), local sourcing offices, government officials, value chain actors, trade unions, other standard system staff and third-party verifiers.

In addition, the researchers interviewed 240 farmers in Pakistan (Punjab/Sindh) and 360 farmers in India (Punjab/Gujarat). The research team collaborated with BCI in terms of facilitating access for interviews and providing feedback to the wider BCI network of stakeholders.

### Findings of the study

The study found that the BCI has managed to scale up its production of Better Cotton in India and Pakistan within a relatively short span of time. It also identified two challenges related to the institutional design of the organization and how this affected the work of the implementing partners in India and Pakistan.



## 1) Scaling up versus quality

The goal of including five million farmers as BCI farmers by 2020 and reaching the level of 30% of world cotton production has to be achieved within a relatively short time-span (from the 2010-11 to the 2020-21 growing seasons) since these official goals were formulated by BCI in 2013. At the same time, the BCI standard has to be credible, both in terms of the stringency of the criteria included and also the stringency of actual project implementation.

To increase the production of Better Cotton, BCI has both volume and farmer number targets as the BCI not only wants to have significant reach in terms of area and production, but also through working with many smallholders. At the same, the BCI maintains a focus on decreasing financial support per farmer as farmer numbers go up and Better Cotton volumes increase. This presents a challenge of scaling up while maintaining quality. As financial support per farmer is supposed to decrease during upscaling, there is a risk that the farmers may not receive the quality training that they need.

Interviews with BCI and IP staff at the international, national and local levels strongly indicated that the goals of rapid upscaling and maintaining stringency were not easily reconcilable goals. When projects were undertaken at a relatively small scale (for instance with 3,000 farmers), BCI IPs with relatively limited experience in sustainable cotton production found the BCI's management system (particularly its assurance program) helpful in terms of setting up operational procedures for implementing projects and keeping track of progress achieved. However, once the number of farmers in individual projects began to increase quite significantly, and financial support per farmer had to decrease, some IPs reported that they had to compromise on the quality of project implementation in some respects.

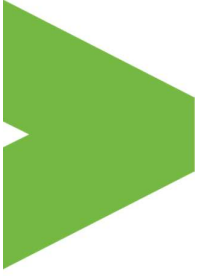
## 2) Capacity building versus auditing

Another central dilemma or trade-off in the institutional design of BCI is that the organization is keen to build the capacity of Better Cotton farmers through training and other locally relevant support mechanisms so that they are able to comply with the standard without any financial or technical assistance from BCI. In this way, BCI empowers farmers in the process of Better Cotton production: i.e. enabling them to take control of the production process and make it more sustainable. However, at the same time, the organization also has to audit the farmers to ensure that licensed farmers comply with the standard. The strict guidelines for verification can result in a considerable amount of time spent monitoring farmers.

A key concern of interviewees was that the reporting requirements of BCI's auditing system (called the assurance program in BCI's own terminology) took up an increasing amount of staff time with some IP interviewees indicating that they spend 70-80% of their time on data gathering with farmers, producing project documentation and progress reports, which took time away from what they perceived as the "real task" of building farmer capacity. In this connection, it was important to note that some IP representatives pointed out that farmers were not interested in data gathering exercises. They wanted to know how they could improve their cotton growing methods.

## Policy Implications

First, BCI's focus on farmer capacity building seems to make sense given that it appears to help some farmers in some regions achieve higher levels of productivity and gross income. However, the BCI needs to ensure that unit costs per farmer are maintained at a level that enables its implementation partners to hire well-qualified staff and adequately train farmers in the BCI standard. Second, the BCI needs to review its assurance program with a view to minimizing the need for bureaucratic paper work. Information gathered from IPs/farmers must be analysed and used to help IPs and farmers improve field level performance. It should not



simply be presented in BCI publications to track progress. Third, instead of mainly racing towards a volume goal, the BCI needs to ensure that its implementation structures and choice of implementation partners are sufficiently rigorous to enable farmers to continuously improve their performance.

A second part of the study investigated the following impact question: 'How did the BCI standard affect the income, work, and environmental conditions of farmers and on-farm workers in the two countries in 2014-2015?' A second briefing paper will be produced soon with the main findings from that part of the study.