

DRAFT
MEMORANDUM OF UNDERSTANDING

Between

International Cotton Advisory Committee

And

Better Cotton Initiative

Introduction

The International Cotton Advisory Committee (ICAC) and Better Cotton Initiative (BCI) share the common goal of having cotton produced in a manner that is environmentally sustainable, economically rewarding for the farmer over the long-term and beneficial for the farming community. ICAC and BCI also recognise that both governments and the private sector have a valuable role to play in reaching this goal, that involves reaching millions of smallholder farmers, working in over 100 countries, and developing a system that works both for people on the cotton farm, along the value chain, and in the global market. The advice, knowledge and collaboration of both governments, and inter-governmental organizations will be critically important.

This Memorandum of Understanding details the specific means by which ICAC and BCI intend to collaborate so as to work toward this common goal.

Cotton produced in accordance with the BCI principles should lead to an improvement in the sustainability of cotton production and also supply a growing global market demand for more sustainable cotton. An involvement in BCI is an opportunity for ICAC to help ensure that cotton production can be adjusted so that it can both meet this growing demand and also improve the competitiveness and market access of cotton, farmer livelihoods and the environment. Similarly, collaboration with ICAC provides BCI with access to valuable information, networks and expertise that will be invaluable for BCI.

Memorandum of Understanding

1. BCI Activities of Benefit to ICAC

- 1.1 Subject to the continued ability of BCI staff to undertake their primary responsibilities, BCI intends to continue to support ICAC's SEEP Panel through the exchange of information, sharing of data and communication of activities.
- 1.2 BCI intends to allow ICAC and the SEEP Panel access to the work that BCI has commissioned CABI to undertake to identify the various tools that can be shown to improve farmer's livelihoods and/or their environmental performance.
- 1.3 BCI intends to invite ICAC to send a nominated representative to sit on BCI's Advisory Committee, and to invite ICAC to participate in the semi-annual stakeholder gatherings, and to allow direct exchanges with the BCI Steering Committee, and involvement in all relevant consultation processes, so as to provide ICAC with the opportunity to influence the development of BCI.

2. ICAC Activities of Benefit to BCI

- 2.1 ICAC intends to continue to provide to BCI, free of charge, access to ICAC's information base on cotton data such as production statistics, research information and forecasts.
- 2.2 Subject to development by BCI of a satisfactory project-funding proposal, ICAC will consider favourably supporting funding applications developed by BCI (especially to the Common Fund for Commodities) for the implementation of regional pilot projects and subsequently the full implementation phase of the BCI.

2.3 ICAC will endeavour to advise BCI about all relevant ICAC activities, and endeavour to involve representatives of BCI (where possible and appropriate) in ICAC meetings or functions.

3. Mutually Beneficial Activities

3.1 On the understanding that BCI should ultimately deal directly with the relevant government Departments, ICAC and BCI intend to discuss appropriate ways for streamlining BCI's dealings with governments. ICAC will endeavour to advise on the appropriate representatives of national governments in member countries with whom to make contact, so as to help provide for the efficient use of government officials' time.

3.2 ICAC and BCI intend to discuss the issue of sustainability initiatives in general, so as to better understand the potential relationships between BCI as a global initiative, regionally-focused initiatives and other initiatives or approaches that are or may be used in cotton (e.g. organic), and to see whether steps can be undertaken to ensure that to the extent possible, these initiatives are collectively contributing to the overall benefit of the global cotton industry.

3.3 ICAC and BCI intend to discuss how the implementation phase of the Better Cotton Initiative could also assist ICAC in meeting the goals and objectives of the ICAC Strategic Plan.

4. External Communications

External communications (by either party) may refer to:

- a) The existence of the common interest of BCI and ICAC in seeing the development of a more sustainable global cotton industry; and
- b) The on-going communication and co-operation between BCI and ICAC in seeking to work collaboratively towards their common interest of a more sustainable global cotton industry.

5. Non-Binding

This Memorandum of Understanding outlines the intentions of the parties, and as such is not binding. While neither party undertakes to perform the activities listed above, both parties will endeavor to advise the other if their intentions change.

Signed by:

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(Terry Townsend)
on behalf of the International Cotton Advisory Committee

Date:.....

Signed by:

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Anna Bexell
on behalf of Better Cotton Initiative

Date: