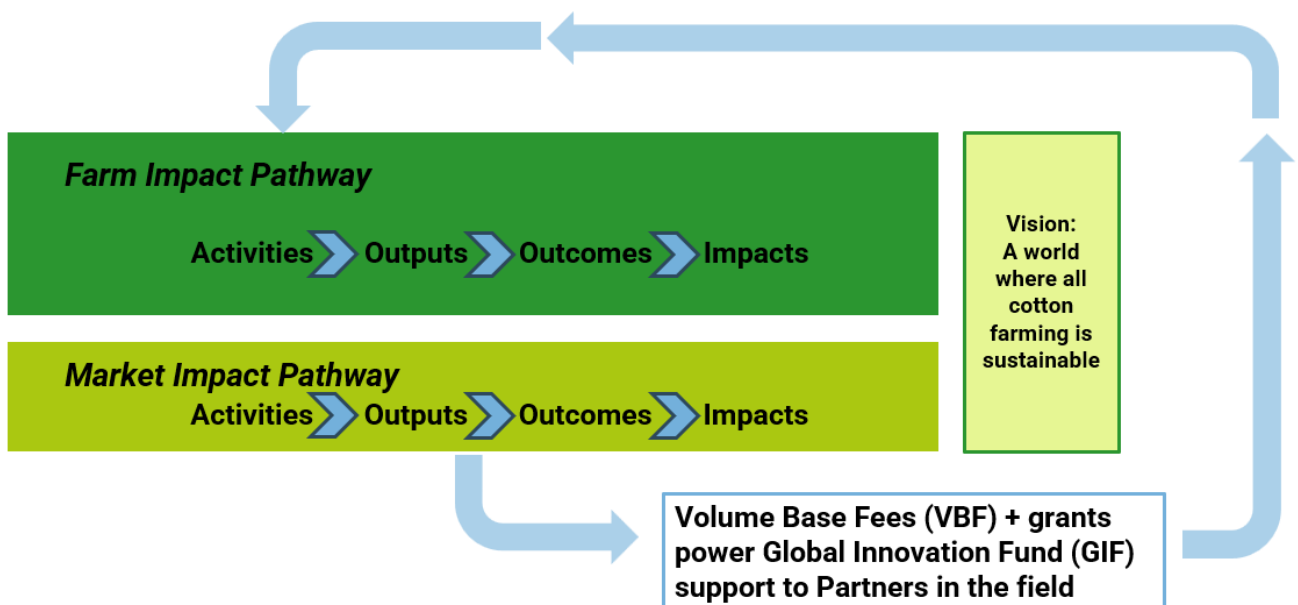


Theory of Change Narrative

May 2024 (updated narrative from last publication in 2021)

Introduction

In a world facing increasingly complex environmental and social challenges, Better Cotton sees change as possible through a blend of farmer-centric sustainability programmes and market-based mechanisms which are both continuously improved by evidence-based learning. Better Cotton, the world’s largest cotton sustainability initiative, has a vision where all cotton farming is sustainable. Better Cotton’s Theory of Change (ToC) unfolds across two interconnected pathways: the Farm Impact Pathway and the Market Impact Pathway, each designed to foster sustainable farming practices, enhance the well-being and economic development of cotton farming communities, and drive the demand for more sustainably produced cotton. There are several links between both pathways, the main one being the provision of further funding from the market that reverts into the activities benefiting farming communities.



The ToC complements Better Cotton strategic documents and targets including the [2030 Strategy](#), [Impact Targets](#), and strategies on gender equality, livelihoods, climate change, regenerative agriculture, and Decent Work. This ToC aims to provide a high-level picture of Better Cotton’s vision, intended impacts, outcomes, outputs, and the types of activities and approaches it uses to bring about those intended effects. It provides overall direction and ambition; specific programmes and operations are localised to ensure context-specific relevance to bring about change on the most important issues for each cotton producing context. The ToC also states potential co-benefits or unintended effects that may occur as a result of its activities and the organisation will monitor for those via research and evaluation and ad-hoc evidence gathering.

Better Cotton focuses on supporting cotton farming communities to become more sustainable. It engages with the market to drive demand for – and to fund – more sustainable cotton cultivation practices. In addition to its six-part Standard System¹, Better Cotton works through mechanisms to bring about change such as working in partnership with Programme Partners, recognised equivalent Benchmarked Partners, and funding Programme Partner projects via the Growth and Innovation Fund (GIF) as well as leveraging change through market engagement. Better Cotton invests in advocacy and public affairs, recognising the growing importance of legislation in the fashion-textile-apparel sector.

The ToC serves as a guide for establishing the Better Cotton [Evidence Framework](#), which is the organisation’s key indicators used to measure progress toward achieving its intended changes along the ToC impact pathways, with significant emphasis on the farm impact pathway.

Farm Impact Pathway

At the heart of Better Cotton’s Theory of Change is a focus on enabling benefits for farmers, the farming communities and the ecosystems that sustain them. Better Cotton’s holistic and inclusive standard, its [Principles & Criteria](#), lays out the global definition of Better Cotton through six guiding principles and sets forth a continuous improvement pathway characterised by the adoption of improved cotton production practices. The P&C is combined with a robust assurance mechanism and an array of locally-developed context-specific activities implemented by Programme Partners. Together these actions strengthen natural conservation and rights protection and pave the way for farmers to gain better living and working conditions, enhanced resilience to shocks, increased social inclusion, and improved gender equality.

¹ The Better Cotton Standard System is a holistic approach to sustainable cotton production which covers all three pillars of sustainability: environmental, social and economic. For more information, visit [What we do in helping cotton growers to create long-term change](https://www.bettercotton.org/what-we-do-in-helping-cotton-growers-to-create-long-term-change). ([bettercotton.org](https://www.bettercotton.org))

| Core Activities | Outputs | Outcomes | Impacts |
|-----------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Set a holistic and inclusive standard | Continuous improvement pathway is defined | Farming communities: 1. Increasingly adopt improved cotton production practices that promote biodiversity, mitigate & adapt to climate change, and improve rights protection while improving profitability for farmers. 2. Have improved skills, power, and choice with increased social inclusion, gender equality, and participation in collective bargaining. 3. Have better living and working conditions with increased access to resources and resilience to shocks. | 1. On cotton farms the soil is healthy and land, water, and other resources are managed for the good of local communities and the planet. 2. Enhanced well-being and economic development in farming communities. |
| Nourish and support existing partnerships and identify and build new partnerships | Impactful partnerships that test and scale innovative, effective approaches | | |
| Provide knowledge, tools, and facilitate equal access to services | Farming communities equally access the knowledge, tools and services facilitated or provided by Better Cotton and its partners | | |
| Engage in policy advocacy, multi-stakeholder dialogue, and collaboration | Better Cotton perspective is included in high-level discussions in the sector | | |

The core activities and associated outputs underpinning this pathway include:

- Set a holistic and inclusive standard that defines a continuous improvement pathway;
- The nourishment of existing partnerships and the forging of new ones leading to impactful partnerships that test and scale innovative, effective approaches;
- The provision of knowledge, tools, and services leading to farming communities equally accessing knowledge, tools, and services facilitated or provided by Better Cotton and its partners; and
- Engagement in policy advocacy and multi-stakeholder dialogues leading to the Better Cotton (and farming communities’) perspectives and considerations being included in high-level and policy-making discussions in the sector.

Better Cotton expects those activities and outputs to lead to the following intended outcomes for farming communities:

- Increasingly adopt improved cotton production practices that promote biodiversity, mitigate and adapt to climate change, and improve rights protection while improving profitability for farmers;
- Improved skills, power, gender equality, and choice with increased social inclusion and participation in collective bargaining; and
- Better living and working conditions with increased access to resources and resilience to shocks.

The impacts resulting from these outcomes should instil sustainable and responsible farming practices and policies across communities, thus mitigating climate change, enhancing soil health, reducing synthetic pesticide use, promoting biodiversity, ensuring water stewardship, and increasing resilience to shocks. Additionally, significant emphasis is placed on social aspects, including

women's empowerment, livelihoods, and decent work, with the progress meticulously measured against targets.

Better Cotton has defined indicators as reflected in the [Evidence Framework](#) and its [2030 targets](#), to measure impacts on the planet and people:

- Climate change mitigation (against target)
- Soil health (against target)
- Pesticide use (against target)
- Biodiversity enhancement
- Water stewardship
- Women's empowerment (against target)
- Livelihoods (against target)
- Decent Work

Market Impact Pathway

Parallel to the transformation in cotton producing communities, Better Cotton recognises the critical role of the market in driving change. By recruiting and engaging members and collaborators committed to investing in sustainable cotton production, Better Cotton aims to foster a supply chain marked by transparency, traceability, and trust.

Core activities and associated outputs in the market impact pathway include:

- Recruit and engage members and partners who commit to investing in making cotton production more sustainable;
- A robust Chain of Custody that meets market needs leading to supply chain actors using the traceability options available to them;
- A clear and actionable Claims Framework for members leading them to making robust claims about Better Cotton based on reliable data and evidence; and
- Education for policymakers about Better Cotton's approaches and impacts leading to policy makers recognising Better Cotton impact and incentivising investment.

| Core Activities | Outputs | Outcomes | Impacts |
|--------------------------------------------------------------------|----------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------|
| Recruit and engage members and partners | Members and partners commit to investing in making cotton production more sustainable | <ol style="list-style-type: none"> 1. Strengthened transparency & traceability in the supply chain. 2. Increased market and consumer trust & recognition of Better Cotton. 3. Positive field level impact enables members to progress toward their sustainability commitments. | <ol style="list-style-type: none"> 1. The fashion, apparel, textile sector engages and invests in its own sustainability performance. |
| Chain of Custody meets market needs | Supply chain actors use traceability options | | |
| Provide clear, actionable Claims Framework | Members can make robust claims about Better Cotton based on reliable data and evidence | | |
| Educate policy makers about Better Cotton's approaches and impacts | Policy makers recognise Better cotton impact and incentivise investment | | |

Better Cotton expects those activities and outputs to lead to the following intended outcomes in the market:

- Strengthened transparency and traceability in the supply chain;
- Increased market and consumer trust and recognition of Better Cotton; and
- Positive field level impact enables members to progress toward their sustainability commitments.

The envisioned market impact is a fashion, apparel, and textile sector that not only engages but also invests in enhancing its sustainability performance. This commitment extends beyond environmental stewardship to encompass the betterment of people's lives within the industry. By increasing market and consumer recognition of Better Cotton, and increasing Better Cotton communications and reporting, we seek to enable our members to progress towards their sustainability commitments, thus contributing to the industry's broader sustainability goals.

Better Cotton has defined the following indicators to measure impact on the market:

- Retailer & Brand Uptake - mass balance
- Retailer & Brand Uptake - traceable
- # members by category

Unintended Effects

Unintended effects are the results of an intervention that differ from the ones expected. Unintended effects can be either positive or negative. While Better Cotton's monitoring and evaluation system focuses on its intended changes along the farm and market impact pathways, it also monitors for evidence of unintended changes resulting from its activities. This is especially important considering the interrelated nature of issues spanning the environmental, social, and economic dimensions of sustainability in agriculture. Below are some examples of potential unintended effects the organisation has anticipated.

Potential positive co-benefits may include:

- Improved farming practices used for cotton could be used for other crops.
- Engagement with Better Cotton will build capacity beyond target groups through knowledge spillover.
- New opportunities for local SMEs (e.g. bio fertilisers, crop residue management).
- Collaboration and common actions on water stewardship, biodiversity, land use, etc.

Potential negative unintended effects may include:

- Land taken out of production (e.g. for HCV restoration), may reduce yields and income.
- Demand for organic fertilisers may lead to degradation of non-Better Cotton land if farmers sell manure/biomass to Better Cotton farmers.
- Cotton becomes incentivised or prioritised over food crops, impacting food security.
- Farmers can't repay creditors and become indebted – negatively affecting livelihoods.
- Recommended sustainability practices create tensions within the farming communities (e.g., farmers unhappy with greater workers' rights protections; or local communities who use cotton stalks as fuel unhappy with the producers working the stalks into the soil to improve soil productivity)

About our Theory of Change

The Theory of Change maps out what we do and why. It provides the basis to measure the results of ours and our partners' work and progress towards our objectives. As we move from specific activities to long lasting impact, we need to consider that other factors outside Better Cotton's spheres of influence have effects on the impact pathways as well, and these can influence the ultimate impacts.

As Better Cotton continues to evolve, its updated ToC reflects a sharpened focus on advocacy, women's empowerment, sustainable livelihoods, and decent work. By integrating these elements more deeply into its core activities, Better Cotton aspires to create a more inclusive and sustainable cotton sector. The journey toward a world where all cotton farming is sustainable is complex and



challenging. Yet, through collaborative effort and continuous innovation, we are making strides towards transforming our vision into reality, one cotton field at a time.