



ORGANIC COTTON ACCELERATOR

ANNUAL REPORT 2017

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FOREWORD



The year 2017 marked the milestone of OCA implementing its first pilot projects and interventions in support of its vision: to create of prosperous organic cotton sector that benefits all, from farmer to consumer. It was also the year where we welcomed a growing number of new Affiliates and Partners, and the acting OCA Secretariat began the transition out of the incubating consultancy to become a fully stand-alone organisation in 2018.

At the beginning of the year's cotton season, OCA started rolling out its sourcing pilots through the supply chains of four of its affiliated brands, engaging nearly 1,800 organic cotton farmers across India. Using a common framework that includes purchase commitments and premium payments to farmers, amongst others, the pilots aim to create a better business case for smallholder farmers while improving the integrity of organic cotton at the start of the supply chain.

Recognising the need for urgent action on the shortage of available organic cottonseed, OCA also invested in the organic cotton breeding programme 'Seeding the Green Future'. The multi-year programme - led by the Research Institute of Organic Agriculture (FiBL) - works to identify and develop new high performing organic cotton cultivars and build capacity and networks among farmer organisations and public and private breeders in India. This will ensure quality organic seed supply for organic cotton farmers and help enhance their livelihoods.

At an organisational level, the OCA Secretariat welcomed its first team member in India. Toward the end of 2017, the recruitment process for a permanent Secretariat staff in the Netherlands was initiated, starting with the positions of Executive Director and Programme Director.

2017 laid the foundation for the Organic Cotton Accelerator to stand on its own feet with a suite of scalable interventions which will support the platform as it develops in the years to come. We want to show our gratitude for the continuous belief of our partners. They have shown their commitment to change the sector by enabling change in their own supply chains.



OUR STRATEGY



The Organic Cotton Accelerator (OCA) is a multi-stakeholder initiative founded on 30 August 2016 by a group of sustainability leaders from the global apparel, footwear and textile industry and philanthropic and civil society organisations with the intent of pursuing the vision, mission and objectives outlined below.

Vision

The vision of OCA is to create a prosperous organic cotton sector that benefits everyone - from farmer to consumer.

Mission

Our mission is for our investments to tackle the challenges in the sector and realise the benefits that organic cotton can bring for people, planet and long-term prosperity.



OCA's ultimate objectives are:

1. To establish the global organic cotton platform that benefits all sector stakeholders from the producer to the consumer, including farmers, value chain actors (suppliers), brands, retailers, philanthropy, civil society, academia and government around a common vision, mission and agenda;
2. To accelerate, through sector-wide collaboration and commitment, organic cotton's viability and growth, presently and in the future, by addressing integrity, supply, and measurable positive impact on people and planet.
3. To become an independent and dynamic multi-stakeholder organisation that can serve the long-term interests of the organic cotton sector and improve and extend its objectives to perform all that is connected thereto in the broadest sense of the word.

The approach through which OCA seeks to achieve its objectives include:

1. Creating and developing the global organic cotton platform through its multi-stakeholder governance framework;
2. Creating and developing programmes and interventions in order to establish the business case for and between organic cotton farmers, suppliers, and brands and retailers;
3. Addressing key issues in the production of organic cotton to improve integrity, quality, supply and measurable impact of the production of organic cotton;
4. Promote and communicate globally the benefits of OCA and the long-term value of organic cotton as a preferred material to advance sustainable cotton and sector resilience.



ACHIEVEMENTS

OCA
ORGANIC COTTON ACCELERATOR

In the past year, OCA has translated the mission on which it was founded in 2016, into tangible action. Guided by the strategic direction of the Senior Board, the OCA Secretariat team set in motion a series of pilot projects and investments to tackle the challenges in the organic cotton sector and realise the benefits that organic cotton can bring for people, planet and long-term prosperity.

At the beginning of the year's cotton season, OCA started rolling out its sourcing pilots through the supply chains of four of its affiliated brands, engaging nearly 1,800 organic cotton farmers across India. The aim of the sourcing pilots is to improve the business case for smallholder farmers and to better manage the integrity of organic cotton fibre at the start of the supply chain. To achieve this, participating brands and their supply chain partners work according to a common approach set by OCA.

This approach includes brands providing purchase commitments on organic cotton lint to farm groups early in the cotton season, combined with agreed premium payments to farmers. The farm group operators handle sourcing of organic seed cotton from the farmers, paying the agreed premium prices to farmers. They also facilitate farmer access to quality organic cotton seed and collect key impact data in line with OCA's monitoring and evaluation guidelines.



The OCA Secretariat coordinates the joint efforts of all partners involved and manages the central monitoring and evaluation (M&E) system, which includes third-party validation of all impact data from the pilot programme. This shared M&E system allows for increased levels of transparency and fact-based learning among all participating actors.

The OCA sourcing pilots will provide the opportunity for brands, suppliers, and farmers to work together on improving the business reality of organic cotton, and the integrity of the produce at the source of the supply chain. Results and learnings of the first pilot season are expected mid-2018 and will inform further development of the programme.

During 2017 OCA also started its investment in a major organic cotton breeding programme, led by the Research Institute for Organic Agriculture (FiBL), to address the lack of quality organic cottonseed in India. The 'Seeding the Green Future' programme works to identify and develop new high performing organic cotton cultivars and build capacity and networks among farmer organisations and public and private breeders in India. In the long run, this will ensure quality organic seed supply for organic cotton farmers and help enhance their livelihoods.



During the 2017-18 cotton season, the programme worked on scaling up participatory cotton breeding by empowering farmers and cotton growing associations through collaboration with (inter) national researchers, breeders, seed companies and the textile industry. The programme utilises the full potential of genetic cotton resources in India, including the native Indian cotton species *G. arboreum* and *G. herbaceum*. Training to breeders, agronomists and farmers will focus on cultivar testing, selection, breeding and seed multiplication.

‘Seeding the Green Future’ has ambitious goals of scaling its output and impact and OCA will further support the programme in its ongoing effort of fundraising. More funding means more Indian partners and farmer organisations within the network, more and better non-GM organic cotton cultivars that are developed and eventually better access to quality seed for organic cotton farmers.





Since its founding in 2016, Foundation OCA has been led by two primary governance bodies; the Senior Board and the Investment Committee. The Secretariat is the executive arm of the organisation. OCA is a foundation (stichting) under Dutch law and does not aim to make any profit.

Senior Board

The Senior Board is a five-member body entrusted with the overall management of the Foundation and provides guidance to the other bodies, including the Secretariat. In carrying out its task the Senior Board takes into account recommendations of the Investment Committee and the Secretariat.

All Senior Board members work on a voluntary basis. Each member represents a specific stakeholder group within the organic cotton sector and brings in specific experience and expertise to contribute to the Organic Cotton Accelerator.

OCA's Senior Board members in 2017 included:

- Leslie Johnston
Executive Director of C&A Foundation (Philanthropy)
- Pascal Brun
Head of Sustainability and Production at H&M (Brand & retail)
- Kate Heiny
Head of Global Sustainability at C&A (Brand & retail)
- Keith Tyrell
Director of Pesticide Action Network UK (Civil society)
- Shreyaskar Chaudhary
Managing Director of Pratibha Syntex (Supply chain)

The Senior Board held three meetings in 2017. During the meetings, the Senior Board approved the financial statements of 2016 and the budget plan for 2017. During the Board meeting in March it was decided to drop the Advisory Committee as a governance body described in OCA's Articles of Incorporation.

The Senior Board is advised in its decision-making by the Investment Committee. The Investment Committee consisted of representatives of the following organisations: Eileen Fisher, Inditex, Tchibo, Textile Exchange, C&A, H&M, and C&A Foundation.

The Secretariat

The Secretariat is the executive arm of OCA and responsible for implementing the strategic plan and making day-to-day decisions to effectively operate and achieve strategic objectives set by the Senior Board.

During 2017, the Secretariat was run by NewForesight Consultancy, the consultancy tasked with the incubation of the organisation in 2016 and to act as the interim-Secretariat while plans were made to recruit a permanent Secretariat staff and transition out of the consultancy.

To that end, the OCA Secretariat welcomed its first team member in India in April 2017. Toward the end of 2017, the recruitment process for a permanent Secretariat staff in the Netherlands was initiated, starting with the positions of Executive Director and Programme Director.







OCA is committed to growing a prosperous organic cotton sector and we feel this can only be obtained by sector-wide collaboration and knowledge sharing.

To foster broader sector collaboration, OCA organised a launch event of our Call for Collective Action within the organic cotton sector on the 15th of May in Berlin. Together with other sector frontrunners, we defined a joint sector vision and agenda for the journey towards a prosperous sector. The event was attended by organisations from across the sector and confirmed the urgent need for taking action on a sector level. OCA is already taking this momentum further by turning ambitions into reality through our sourcing pilots and our seed programme.

In December, the Secretariat hosted the webinar 'Improving farmer economics and integrity through your sourcing practices', open for our learning community of affiliates and partners. The webinar aimed at sharing the preliminary lessons from our first year of sourcing pilot implementation and support all participating and interesting affiliates in designing their sourcing projects for the year to come.

All of OCA's affiliates and partners and its broader stakeholder network were updated on OCA's main activities and results during the course of 2017 through a series of newsletters.



OUTLOOK 2018





2018 promises to be an exciting year. The first results from the sourcing pilots started in 2017 are expected to spark wider participation of our affiliated brands and retailers in the programme, allowing for impact across a much larger farm base. Moreover, we have the confirmation from at least three new frontrunner brands to join OCA and expect to confirm a major funding partner in our Seeding the Green Future programme that will allow us to build a solid multi-year seed programme together with our partner FiBL.

With NewForesight Consultancy officially moving out of the role of acting Secretariat at the start of 2018, the year will also mark the first year that Foundation OCA will become a truly stand-alone organisation with permanent staff members on the payroll in the Netherlands, fully dedicated to growing the organisation's impact in the organic cotton sector.

The coming three years, from 2018 to 2020, OCA will continue to pilot and further develop its programme approach to ensure it effectively and efficiently improves the business reality of organic cotton from farm to final user and leads to measurable positive impact on the livelihoods of farmers and the environment. While OCA's main interventions will continue to focus on India in the next years, a global strategy plan for the organisation is planned to be developed in 2020.

