



EVOLVING TABLE ON COTTON DEVELOPMENT ASSISTANCE

Cotton projects supported by the Netherlands

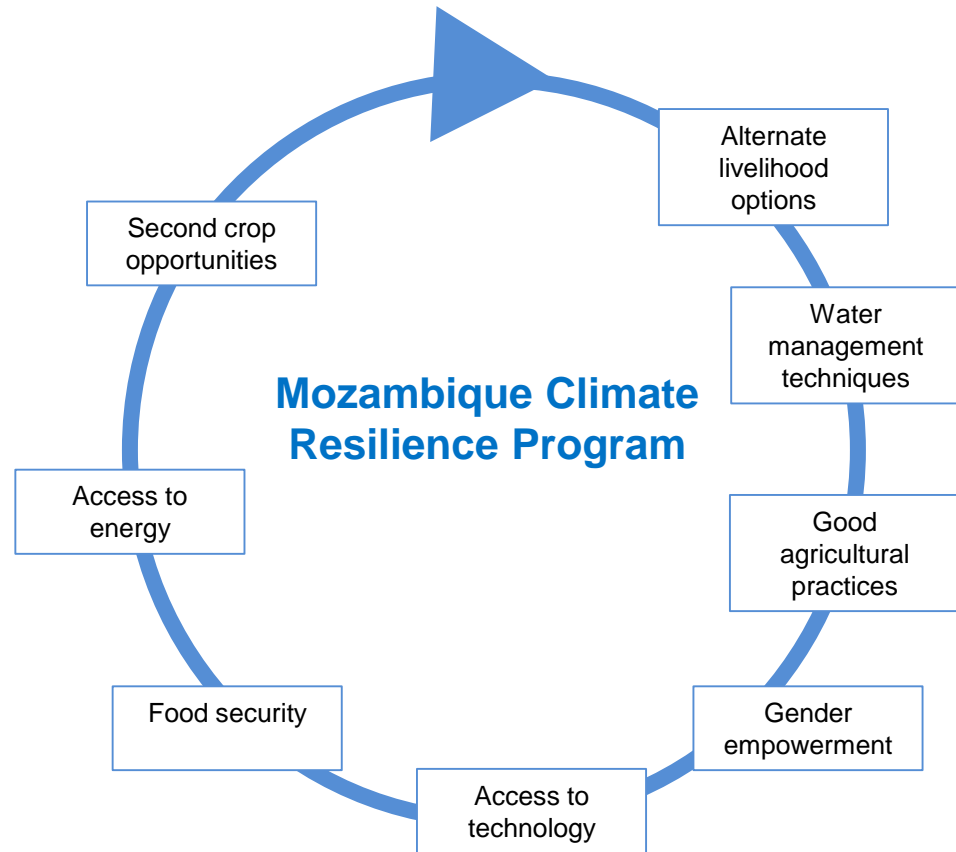
November 2019

Understanding the Cotton sector

- Excessive use of pesticides (bad for human health and the environment).
- Environmentally inefficient production methods (which create water shortages and degrade the soil).
- Poor working conditions.
- Millions of cotton farmers, many of them smallholders.
- Cotton supply chain is notoriously complex and varies significantly from country to country.

Netherlands Cotton Interventions

BETTER COTTON GROWTH & INNOVATION FUND



IDH support for the Better Cotton Initiative



The Better Cotton Initiative (BCI)

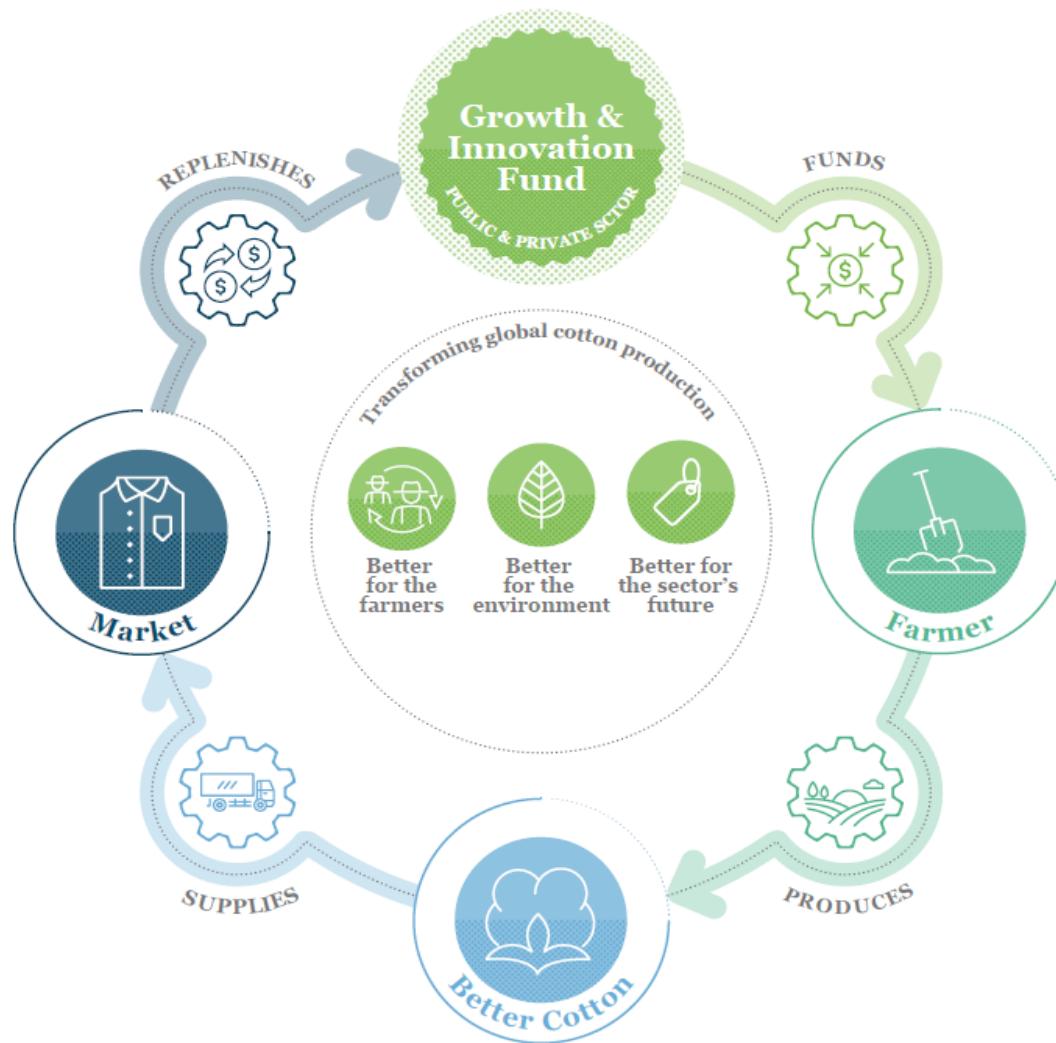
- BCI aims to transform cotton production worldwide by developing Better Cotton as a sustainable mainstream commodity.
- To make global cotton production better for the people who produce it, better for the environment it grows in and better for the sector's future.
- To reach **5 million farmers** in key cotton producing countries and have better cotton account for **30% of global cotton production**.

BCI Global reach 2017-18 cotton season



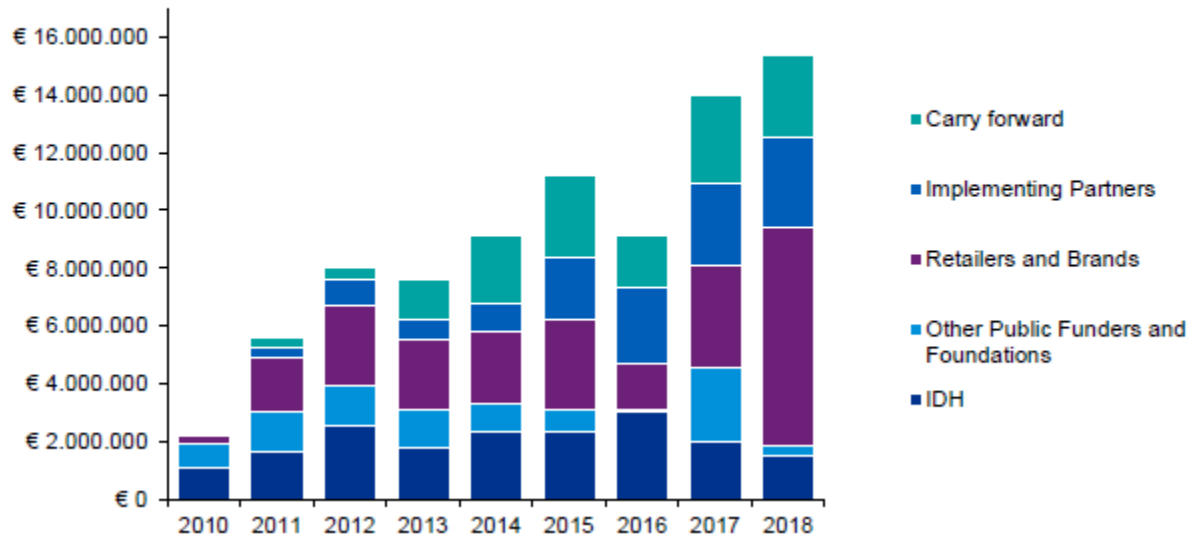
NB: This figure is subject to change based on the finalisation of 2017-18 ICAC world production figures. Source of ICAC World Production Figures: <https://icac.gen10.net/statistics/index14.18>

The Better Cotton Growth and Innovation Fund

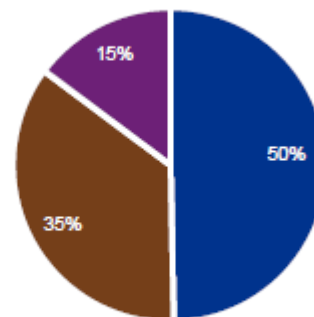


Netherlands contributions to the BC GIF

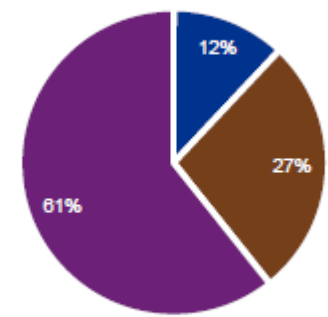
Fund value BCFTP respectively GIF by contributor 2010 - 2018



IDH's share in the contributions to BCFTP and GIF




2010



2018

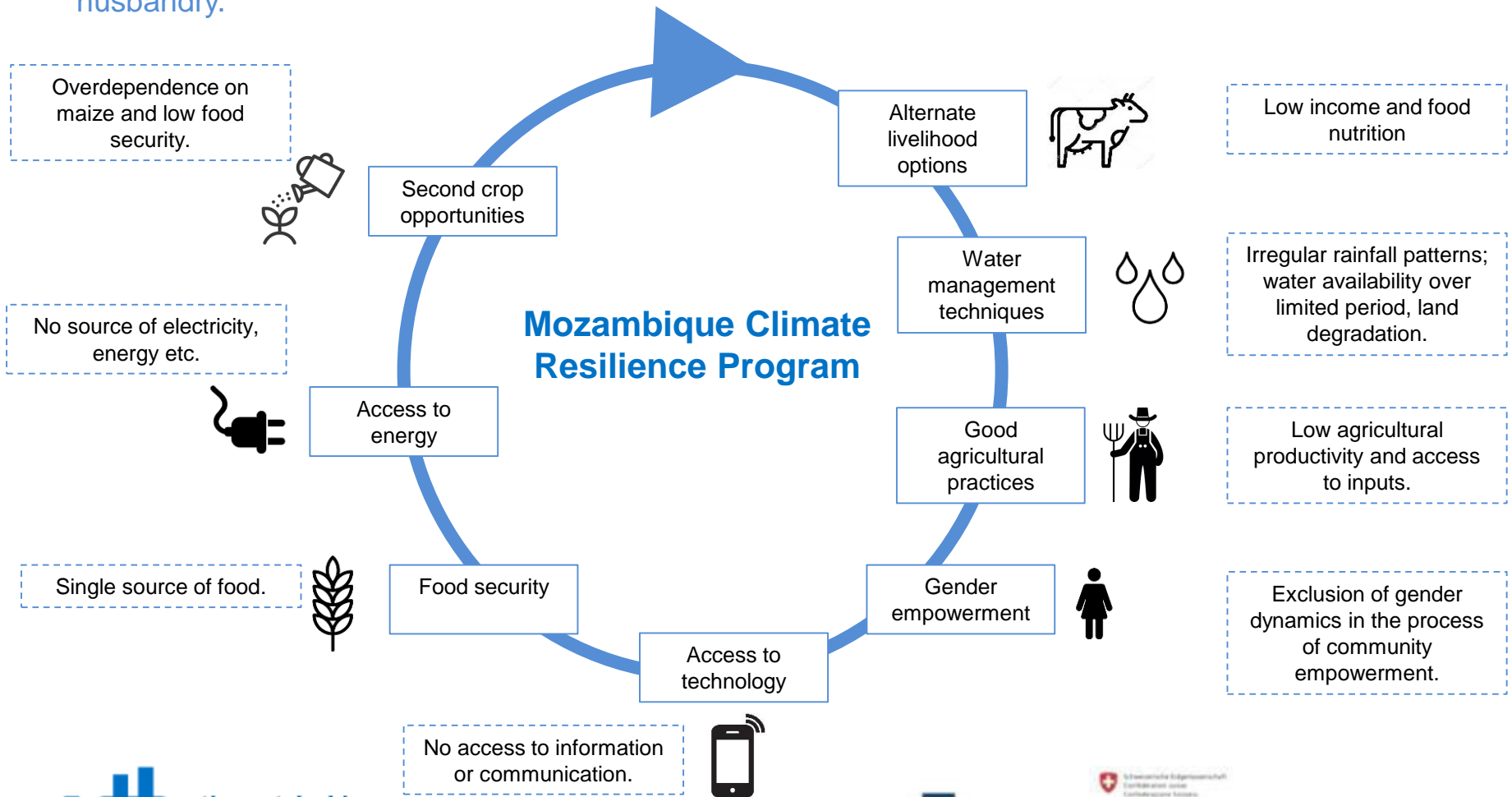
- IDH
- Other*
- Retailers and Brands



IDH support for the Mozambique Climate Resilience Programme

Mozambique Climate Resilience Program

Objective: Increase farmer's resilience by providing farmers with access to inputs, knowledge training on sustainable cultivation, technology and information for cotton, 2nd food crops and animal husbandry.

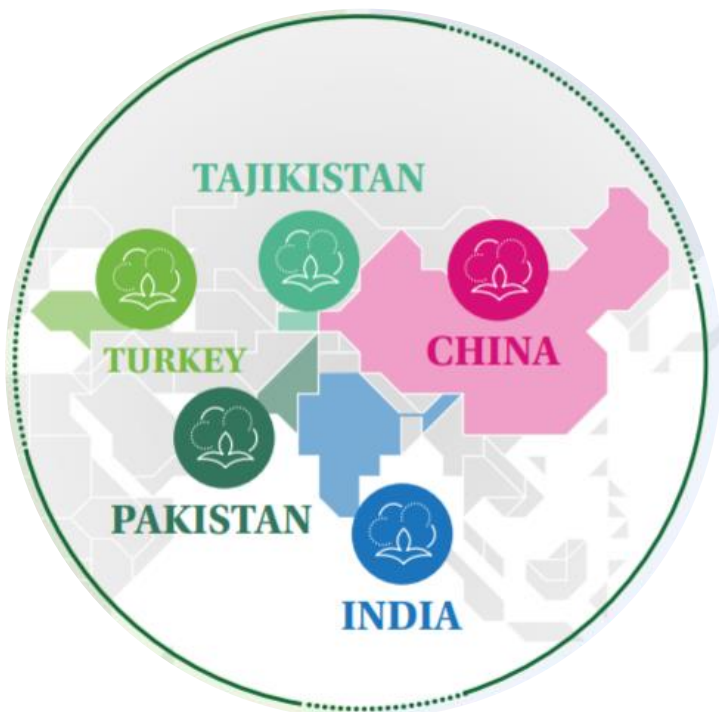


What have we achieved - BCI?

- Better Cotton represents **19% of global cotton** production
- Transition to a market driven funding model where **retailers and brands contribute 61% of the fund** value, and IDH's contribution is reduced to 12% in 2018;
- Increased market uptake and **procurement of more than 1 million MT of Better Cotton** by brands and retailers in 2018
- Improved cost-effectiveness of the capacity building program, resulting in **over 1 million farmers trained** in season 2017/18.



Farmer results 2017-18 season



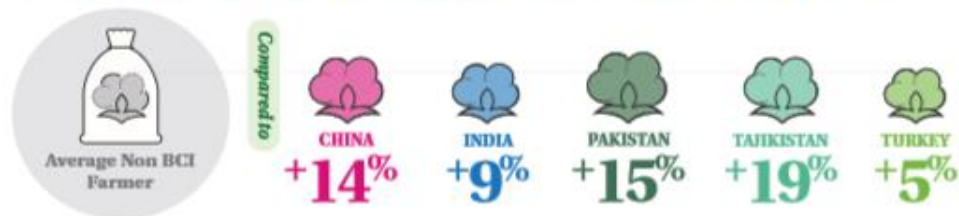
Water m^3/ha BCI Farmers in all five countries used **LESS** water for irrigation than Comparison Farmers.



Pesticide kg/ha BCI Farmers used **LESS** pesticide than Comparison Farmers in 4 of the 5 countries.



Yield lmt/ha BCI Farmers in all five countries had **HIGHER** yields than Comparison Farmers.



Profit $net\ income/ha$ BCI Farmers in 4 of the 5* countries had **HIGHER** profits than Comparison Farmers.



What have we achieved – Moz?

- In partnership with four private sector partners (Olam, Plexus, San JFS and Sanam) and with expertise from Action for Food Production (AFPRO), we have developed water harvesting and water conservation structures to increase access to water, improve soil moisture, enhance ground water quality, and improve irrigation in five villages across Niassa, Nampula and Cabo Delgado.
- In combination with training on good agricultural practices, beneficiaries are leveraging the additional water to grow second crops and engage in animal husbandry activities for alternative livelihood opportunities. This is helping improve the resiliency of cotton farmers against climate change and volatile market conditions.



Our contribution

- IDH's financial contribution was key to unlock significant private sector funding
 - From € 330,000 in 2010 to over € 7 million in 2018
- Driving demand by successfully convening brands, retailers and mid stream suppliers and matching this with increasing supply of Better Cotton
- Professionalization of the Fund
- Driving efficiency and continuous improvement of farmer capacity building
- Trusted, cohesive and efficiently run public private partnerships





Next steps

- **Driving demand on a global scale** across the entire cotton-using industry
- **Driving further innovations** for new funding models and new service delivery models to achieve more cost-efficient, scalable, and sustainable farming systems.

Thank you.

