

Guidance for Auditing Clusters in Uzbekistan v1.1

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1.1	04/05/2026	Updated to include additional guidance on cluster model, CB guidance on BCP accounts, as well as supporting documents and certificate requirements	Senior Assurance Coordinator
1	09/10/2025	New document	Head of Certification

Introduction

The Better Cotton Chain of Custody Monitoring and Certification Requirements document outlines how audits should be conducted in both a single and multi-site context. However, Uzbekistan is a unique country for several reasons:

1. Clusters (a vertically integrated business organisation in Uzbekistan) manage farming operations and supply chain operations, often managing BCI products up until the creation of an end product. As a result, they are subject to:
 - Better Cotton Principles and Criteria requirements (for farm-level operations),
 - Better Cotton Chain of Custody requirements (for supply chain operations), and;
 - Better Cotton Membership requirements (due to their role in the supply chain).
2. Unlike in most countries, ginning and further processing operations (e.g. spinning) are managed within the same cluster, rather than as separate entities subject to different requirements.
3. After the launch of a BCI Programme in Uzbekistan in 2022, limitations were imposed on Uzbek-grown BCI Cotton, preventing its entry into the mass balance market. This means clusters operating in Uzbekistan can only follow the Segregation Chain of Custody models and therefore need to be certified in order to allow them to sell Physical BCI Cotton. All sites in Uzbekistan are not permitted to sell BCI Cotton as mass balance orders.

***New: Understanding the Uzbek Cluster Model**

In Uzbekistan, BCI operates exclusively through cluster structures. A cluster is a group of legally independent limited liability companies (LLCs, such as a farm, ginner, and spinner, that are all owned by a single parent company. To qualify as a cluster within the BCI programme, the business must include land ownership, ginning operations, and spinning operations within its ownership structure. In some cases, a cluster may consist of a single LLC rather than multiple entities; however, the company must still own and manage all required process (e.g. farming, ginning, spinning) within its structure.

There are two cluster models in Uzbekistan, but BCI works only with one.

- **Direct farming:** the cluster directly owns and operates the land. This is the only model within the BCI programme in Uzbekistan.
- **Contract farming:** land is rented to farmers, who receive financial support and sell their cotton to the cluster. This model is not within the BCI programme and CBs should not encounter it.

Within the direct farming cluster model, different standards apply to different parts of the business:

- Land and farming operations are subject to the Better Cotton Principles and Criteria (P&C) Standard.

- Ginning and spinning operations are subject to the Better Cotton Chain of Custody (CoC) Standard.

CBs should ensure they are clear on this distinction before beginning the application or audit planning process.

Audit Process Guidance

Application

1. The CB should gather as much information as possible from the cluster as part of the application phase. This includes, but is not limited to:
 - a. Understanding the setup of the cluster, including the number of sites, the type of activities covered and whether there is common ownership. The CB should check if ginning is part of the ownership structure as this will impact audit scheduling.
 - i. Where ginning is included, the CB should also seek to understand;
 1. if cotton collection points are used,
 - a. who is responsible for the cotton when it is at the cotton collection point and
 - b. how the cotton has been classified at these cotton collection points e.g. is it BCI cotton or conventional cotton
 2. The CB should then use this information to determine if the cotton collection point needs to be visited as part of the audit plan.
 - ii. Producers should not be included as they are audited against the Principles and Criteria Standard. But a CB may look to align audits for producers and the rest of the cluster, if appropriate.
 - iii. CBs may find that ginner accounts do not appear as active on the BCP and may not have any transactions on the platform. This is expected for two reasons a) in order to have access to the BCP, ginners in Uzbekistan need to be certified b) in the Uzbekistan context, ginners do not add transactions to the BCP.
 - b. Reviewing whether the cluster meets the requirements in section 4.2 (Scenario A) of the Better Cotton Chain of Custody Monitoring and Certification Requirements document - [final-coc-mac-v1.2.pdf](#)
 - i. If not, discuss with the cluster on how the audit can be structured and planned
 - ii. If yes, does the cluster have an identified 'central function' that will manage overall compliance with the Chain of Custody Standard, and be listed as the certificate holder
 - c. Ensuring that the application only includes physical Chain of Custody models
 - i. As part of the application, the CB should check if the cluster receives cotton from outside of their direct producer. Where sourcing includes BCI Cotton

from outside of Uzbekistan, the CB should request a list of these suppliers and verify that they are certified and eligible to use physically segregated CoC models.

- ii. ***New:** CBs should be aware that some suppliers may not appear on the public BCI supplier list. This is because the public list only shows certified suppliers in Uzbekistan. If a supplier's account has been activated on the BCP but certification is not yet complete, they will not appear on the public list. CBs should not treat absence from the public supplier list definitive non-compliance, and BCI can clarify the certification status of any supplier on request.

Audit planning

2. If the cluster includes ginning, the audit must be planned to include a review of this process, meaning that the audit is likely to take place between September and December due to the timing of the ginning season.
 - a. If the cluster does not include ginning, all sites still need to be audited, but the timing can be done to suit the CB and cluster
3. If Scenario A applies for the cluster, then all sites will need to be audited
4. Ideally the audits should be planned to follow the flow of the cotton so starting with the process closest to the producers e.g. ginning, spinning, fabric making etc. But the CB can also decide to audit the 'central function' first to understand the systems and processes before auditing each of the sites.
5. Where possible, the CB should assign the same auditor/team to audit all sites within the cluster for consistency and understanding of the setup.

Conducting the Audit

6. All sites in the cluster need to be audited and all steps in section 2.4 of the Better Cotton Chain of Custody Monitoring and Certification Requirements document need to be followed for each site in the cluster.
7. A traceability exercise should be conducted at each site in the cluster and, due to the nature of the setup of the cluster it should also be possible to do an end-to-end traceability exercise. Where no BCI cotton is available, the exercise can be done for conventional cotton.
8. For the BCP transaction completeness, the audit should just review this at the audit of the central function or at site locations, whatever is deemed appropriate.
 - a. Ginning sites do not enter data onto the BCP. The first point of data entry is at spinning, where a spinner account declares BCI lint cotton from a specific licensed BCI farm.
 - b. For clusters that already have BCP accounts, information within their accounts may be limited due to limited interest in buying BCI Cotton from Uzbekistan.
 - c. Even though ginners do not have access to the BCP, all ginning sites require a BCP number. This is the data point that links the site to the scope certificate. CBs should

- be aware that in cases whereby ginning sites do not have a BCP number, the CB can inform the BCI team, and BCI can authorise a BCP number for the ginning site that does not allow the ginner to make transactions.
- d. CBs should not delay or suspend an audit solely on the basis that BCP account information is limited or unavailable for ginner sites.
9. When reviewing transactions at the moment of cotton between sites, CBs should note that certain document types may not be available within the Uzbekistan cluster context. CBs should instead request and review the following as primary supporting evidence for the transport of BCI Cotton between sites:
 - a. Transportation documents covering the moment of cotton between sites (e.g. ginning to spinning)
 - b. Internal production records, documenting the processing of cotton at each stage within the cluster, including records covering movement from ginning to spinning.
 10. The CB/auditor shall follow Annex A to determine if sub-contractors need to be audited
 11. Non-conformities can be raised at any of the sites in the cluster and, if following Scenario A, they must be accumulated across the sites.

Audit Report and Certificate

12. The auditor shall complete a single audit report (Monitoring and Audit Reporting Template for Multi-Site v1.1) to incorporate all sites in the cluster
 - a. Producers that are part of the cluster will be audited against the BCI Principles and Criteria and the respective audit report/checklist shall be completed for that.
13. Where a positive decision is made the CB shall issue a certificate under the name of a 'Central Function'
 - a. In addition to the name of the of the central function, the certificate should also include the relevant BCP account number for the central function
 - b. All other sites included in the cluster (and BCP numbers where applicable) should be listed as an annex in the certificate.
14. All processes and products covered by the cluster shall be listed on the certificate

Post-certification

15. The cluster shall continue to adhere to the Better Cotton Chain of Custody Requirements for the duration of their certificate validity.
16. The 'central function' shall submit a self-assessment to cover all sites within the cluster

Non-Typical Scenarios

Where cluster structures do not follow the standard model described in this guidance, CBs should contact BCI directly to discuss how the audit should be structured. Multi-site scenarios that fall outside the standard cluster model will be assessed on a case-by-case basis in the short term. Revised guidance to address more complex or non-standard cluster structures may be issued in due course.

