

# Bonsucro Impact Fund Project Selection Committee

## Terms of Reference

### 1. Background: The Bonsucro Impact Fund

The Bonsucro Impact Fund (BIF) was launched in March 2022. This grant-making fund leverages the income made from sales of Bonsucro Credits through the Bonsucro Credit Trading Platform, to co-invest in impact projects. Impact projects are initiatives that catalyse or accelerate sustainable sugarcane production, in line with Bonsucro's 2021-26 strategy. Impact projects typically involve multiple supply chain actors and partners working in concert to address critical challenges facing the sugarcane sector and to develop shared solutions that can be replicated by others.

The BIF works in two ways. The first way it works is by publishing **Calls for Proposals** focused on specific themes and invites Bonsucro members and partners to apply for grants through a competitive selection process.

The second way the fund works is through making **Strategic Investments**. Here the Bonsucro Secretariat, together with partners, develops project concepts and proposals, and submits them to the BIF Project Selection Committee (PSC) for consideration. These proposals must relate to one of the thematic priorities of the external Calls for Proposals.

For both its Call for Proposals and Strategic Investments, the BIF follows a two-stage application process. The first stage involves preparing a short concept note outlining a project idea. These concept notes are evaluated, and promising project concepts are invited by the PSC to proceed to the second stage - submitting a full proposal.

The BIF Project Selection Committee (PSC) evaluates these proposals and provides recommendations to Bonsucro's Board as to whether to proceed with funding the projects or investments, and under what conditions.

### 2. Project Selection Committee – Roles & Responsibilities

The Project Selection Committee (PSC) is a committee of six experts tasked with reviewing, evaluating, and recommending projects to be supported by the Bonsucro Impact Fund. The Bonsucro Impact Fund Manager is an observer member of the PSC and provides secretariat services to the PSC.

More specifically, each member of the PSC is expected to:

- Carry out an evaluation of the different concept notes and proposals using the scoring matrix developed for each prioritised theme, and submits this completed document to the Bonsucro Impact Funding Manager at least two days before a scheduled PSC meeting;
- Participate in Project Selection Committee meetings (6 meetings expected per year);

- Work to achieve consensus on which project concepts and proposals the PSC should recommend to the Board for funding and under what conditions,
- Review BIF’s annual impact report and provide recommendations on how the BIF’s strategy and grant-making process could be improved;
- Participate in *ad hoc* external evaluations of the BIF.

The PSC is an advisory body only. It does not have decision-making authority. The PSC recommendations will go to the Bonsucro Board for consideration, after review and input from the Bonsucro Finance & Risk Committee.

### 3. PSC Membership

The PSC consists of six members, as follows:

- an independent expert (Chair of the PSC) - appointed by the Bonsucro Board through delegation to the TAB
- three nominated representatives put forward by Bonsucro’s Members Council
  - two from the Bonsucro Secretariat (CEO and/or International Programme Director and/or other senior staff member)

The Bonsucro Impact Funding Manager provides secretariat services to the PSC and can observe the meetings.

#### 3.1. PSC membership requirements

Membership requirements related to the PSC include:

- Serve in a personal capacity without respect to professional or institutional affiliation and without acting upon advice or representation of the interests of their organizations, their constituency, or other third-party representatives
- Provide complementary and cross-cutting expertise in areas described in Section 3.4 below,
- Commit to the highest standard of compliance with Bonsucro’s Conflict of Interest Policy and adherence to the PSC’s Non-Disclosure Agreement,
- Regular attendance and participation in PSC meetings and teleconferences,
- Provide active, independent, and high-quality engagement in discussions and processes related to the PSC mandate
- The total estimated time requirement per PSC Member is 4 full working days per year<sup>1</sup>.

#### 3.2. PSC Chair

The appointed independent expert will serve as the Chair of the PSC. Should it not be practically feasible for them to serve in this capacity at one or more meetings, they can nominate via email an alternate PSC member for this position.

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<sup>1</sup> This assumes that 3 thematic funding rounds will be offered by the BIF per year requiring 6 meetings - 3 meetings of 2 hours for short listing of concept notes, and 3 meetings of 1 hour to evaluate full proposals.

### 3.3. Selection of Members

The composition of the PSC should, as far as possible, reflect a geographical and gender and supply chain balance, assuring diverse representation from those with experience of working in sugarcane production areas.

For the selection of the **independent technical expert**, who also serves as the Chair of the PSC, the following sequential steps are followed:

- Bonsucro puts out an open call inviting candidates to put themselves forward for selection
- A short list of candidates is drawn up and shared with the Bonsucro Technical Advisory Board (TAB)
- The TAB reviews the list and identifies its top two candidates
- The Chair of the TAB and the Bonsucro CEO or a senior member of staff, interview candidates and select the most appropriate candidate based on their technical competence and skills (see section 3.4).

For the selection of the **Members Council (MC)** representatives, the following sequential steps are followed:

- The Chair of the Members Council invites MC members to put themselves forward for selection. Should not enough members put themselves forward, the Chair and Vice Chair can seek to second Bonsucro members and will put forward up to 6 names for selection.
- These names are shared with the Council who vote to approve the selection.

### 3.4. Expertise of PSC Members

Members of the PSC are high-level senior experts with advanced experience in their fields of work and knowledge of sugarcane production and milling. Members should have significant, demonstrated expertise and leadership in at least two of the areas described below.

Technical Areas of Expertise	Description
Environmental issues related to sugarcane production and milling	Climate change adaptation, mitigation and reporting expertise, knowledge of regenerative agriculture, biodiversity, water conservation and soil health.
Social issues related to sugarcane production and milling	Human rights due diligence expertise, understanding of child labour and forced labour dynamics and worker health and safety issues.
Economic issues related to sugarcane production and milling	Knowledge of smallholder production systems, experience of finance sector engagement including product development. Understanding of the shared responsibility agenda. Understanding of chain of custody supply chain management models.
<b>Cross-cutting issues</b>	
Data and technology	Digitisation, blockchain, data for decision making, data governance.
Monitoring, evaluation, and learning (MEL)	Experience in MEL systems, including design and appraisal of M&E indicators and systems; selection and definition of indicators and baselines;

	verification; reporting; evaluating value for money; assessment of efficiency and effectiveness on operational level.
Project management, partnership development and capacity building	Experience in designing and implementing grant making projects, government engagement and the implementation of capacity building initiatives.
Project implementation experience in one of Bonsucro’s core regions	Operational experience gained in Brazil, Mexico, Central America, Africa, and Asia-Pacific

### 3.5. Term of Office

PSC Members are appointed for an initial term of office of three years that is renewable subject to satisfactory performance. To ensure continuity, the PSC Member replacements shall not exceed 50% of the PSC membership at any one replenishment occasion.

Bonsucro will carry out regular review of the BIF design and governance, starting with a review after its first pilot year (2022-23) to identify any improvements needed.

### 3.6. Remuneration and Reimbursement of Expenses

All PSC members serve in a voluntary capacity. Where in-person meetings are required the travel and per diem of PSC Members will be reimbursed in accordance with established Bonsucro rules and procedures.

### 3.7. Resignation or Withdrawal from the PSC

A PSC Member may withdraw from the PSC at any time upon written notification to the PSC Chair, or the Chair of the TAB in the case of the resignation of the PSC Chair. The appointment of a replacement will follow a similar process as outlined in 3.3. above.

### 3.8. Ad Hoc Supplementary Technical Input

On an exceptional basis, and in consultation with the TAB, the Impact Funding Manager may invite additional individuals with specific expertise to serve on the PSC as guest experts, if required, to fill in gaps on specific thematic topics. All such invitations will be reported to the Bonsucro Board. The Conflict-of-Interest Policy and Procedure applicable to PSC members will also apply to these individuals and they will also be required to sign a non-disclosure agreement.

## 4. Meetings

### 4.1. General

The PSC will meet either virtually or in person based on a set annual calendar of meetings to be agreed. The purpose of these meetings is to assess and discuss submitted concept notes and full proposals.

PSC members will receive a maximum of 12 concept notes<sup>2</sup> and/or proposals at least 10 working days before any scheduled meeting. Ahead of these meetings, PSC members will share their project scores using a matrix provided by Bonsucro.

A quorum shall be 4 members – if no quorum exists the meeting will be rescheduled.

Where meetings are held by conference call, PSC Members should make every effort to ensure that a secure line is used and that outside parties do not listen to the proceedings. All PSC meetings are chaired by the PSC Chair.

The agenda for PSC meetings is developed by the Impact Funding Manager and the PSC Chair.

The Fund Manager introduces the discussion of a PSC meeting by summarizing the intent of the Call for Proposals and the specific requirements, as well as a summary result of the pre-assessment scoring. The PSC Chair takes over and systematically goes through the different concepts and proposals, inviting input from other members.

#### **4.2. PSC Recommendations**

The PSC arrives at its recommendations based on consensus. The PSC meeting agenda contains a separate item, scheduled for the end of any meeting, to exact final recommendations. If consensus cannot be reached, the Chair of the PSC can request a vote and a supermajority of 75% will be accepted to make a recommendation to the Board of Directors.

#### **4.3. Summary Record**

The minutes of the PSC meetings will be compiled and maintained by the Bonsucro Impact Funding Manager – these will be shared with the PSC Chair who must sign these off and confirm they are an accurate record of the meeting. The minutes will then be shared by the Impact Funding Manager with the PSC.

### **5. Transparency and Confidentiality**

The membership, terms of reference and operating procedures of the PSC are published on Bonsucro's website.

The concept note and proposal review process, may result in PSC members having access to certain information relating to sector projects, project sponsors or grant making processes, which must be treated confidentially. PSC Members are therefore required to complete and sign a Non-Disclosure Agreement prior to formally joining the PSC.

### **6. Conflict-of-Interest Policy**

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<sup>2</sup> In cases where more than 12 Concept Notes are received for any one call for proposals, the Bonsucro Impact Funding Manager together with a nominated representative of the PSC, will undertake a first round assessment of the submissions and identify the strongest 12 Concept Notes to be sent to the full PSC for evaluation (Bonsucro's Strategic Investments proposals are additional to these).

To ensure the highest integrity and member confidence in its activities, BIF requires that PRC Members disclose any circumstances that could give rise to a potential conflict-of-interest (COI), or a perceived COI related to the concept note or proposal review process in which they will be involved.

This policy sets out the steps to be undertaken to manage this COI, or perceived COI.