



Expanding and optimising trade in Bonsucro credits

Call for Proposals

Bonsucro is looking for an experienced business development consultant to support its team by providing analysis, advice and recommendations around how it can optimise the business rules and improve the operations and marketing of Bonsucro credits.

Deadline for submissions is 9 May 2023, and the work is expected to be carried out between 1 June and 15 August 2023.

1. About Bonsucro and the marketing of Bonsucro credits

Bonsucro is the leading global sustainability platform and standard for sugarcane, one of the world's most important crops. Our purpose is to collectively accelerate the sustainable production and uses of sugarcane.

Bonsucro convenes over 300 members from more than 50 countries to address critical challenges in the sugarcane sector and drive both performance and impact through our system of sustainability standards. It works across all sugarcane products and derivatives – sugar, ethanol, molasses, and bagasse in traditional and newer market sectors, from sugar and alcohol to biofuels and bioplastics.

Certification is one of the main strategies that Bonsucro uses to drive change in the sugarcane sector. Bonsucro's production standard provides a sustainability performance framework with accompanying targets. Farmers and mills demonstrate compliance with this performance framework through undergoing an independent certification process. Certified mills and farms that have been through this process are then rewarded for their improved sustainability performance by end-user companies that buy certified sugarcane and sugarcane-derived materials such as raw sugar, ethanol or molasses.

Bonsucro certified materials can be sourced through two different supply chain models: Mass-balance and Bonsucro credits. Each of these models comes with its own advantages, requirements, rules and pre-approved claims. These two models play different, but equally important, roles in helping build the market for sustainable sugarcane.

In the case of mass-balance, this requires everyone in the supply chain who takes legal ownership or transforms Bonsucro certified material to undergo an independent audit against Bonsucro's Chain of Custody Standard (an accounting framework that ensures traceability of claims from a mass balance perspective) to safeguard the provenance of the Bonsucro-certified material as it moves from producer to consumer. This system also allows for credible on-product claims to be made.

The Bonsucro Credit Trading Platform (CTP), in contrast, is a book-and-claim type system where the sustainability claim of a product is decoupled from the physical product. A Bonsucro certified producer can sell their Bonsucro credits (sugarcane, raw sugar, ethanol, and molasses credits are available) directly to users of the CTP (who must be Bonsucro members), and then sell the physical material as conventional (i.e. double-counting is not allowed). This registered sustainability claim is sold as a Bonsucro credit – a Bonsucro credit is proof that a unit of sugarcane, raw sugar, ethanol or molasses



has been sustainably produced to Bonsucro's Production Standard. Each credit corresponds to 1 tonne of the given product (1 cubic metre for ethanol). The price of these different credits is the return on investment to farmers and mills for producing sustainable sugarcane and sugarcane derivatives and can act as a powerful incentive to expand the area under certification. Furthermore, strong demand for Bonsucro certified sugarcane - be it as credits or physical product- is an important part of the overall Bonsucro member value proposition.

Bonsucro has been selling credits since 2013, however it was only at the end of 2019 that this product migrated to an on-line credit trading platform (CTP). The CTP offers two approaches to trading in credits: the first is a blind-auction style option while the second is an off-market trade where buyers and sellers negotiate outside of the CTP and only register and settle their sale via the CTP.

Since the launch of the CTP in 2019, Bonsucro has seen a steady growth in the market for Bonsucro credits – currently 20-35% of all Bonsucro certified sugarcane and derivatives is sold as credits. However, while this market is growing, it remains limited to a relatively small pool of buyers and sellers of credits.

Bonsucro would like to further improve the performance of the credit trading platform as outlined in its Strategic plan 2021-26 and create additional incentives and value for certified producers and to support investment into the Bonsucro Impact Fund. We are looking for the services of an experienced business development consultant to identify strategies to promote the expansion and optimisation of the sale of Bonsucro credits via the CTP.

2. Scope and Objectives of Consultancy

As noted, the objective of this consultancy is to expand and optimize the sale of Bonsucro credits via the credit trading platform. This includes not only looking at the current business rules that pertain to the sale of credits via the CTP but also Bonsucro's approach to the marketing of credits to end-users, engagement with sellers and the overall management of its credit trading system including; demand forecasting, assurance of credits, transparency of information and permissible claims.

The more specific objectives and deliverables of this consultancy project are:

- a) **Conduct an analysis of the performance of Bonsucro credits, the business rules of the CTP and the overall management approach of the credit trading system:** On the basis of document review, data analysis, and interviews with Bonsucro staff and the CTP service providers, the consultant will summarize the performance of Bonsucro's credit offer since it was formally launched through the CTP in late 2019. This analysis should look at the number of transactions (estimated to be 300 in total), the volumes sold by sellers and number and regional spread of these in the platform, different credit products sold as well as all the business rules that underpin the credit trading platform and permissible claims. The overall management and marketing approach of Bonsucro credits should also be described and documented. The results of this analysis should be summarized in the form of a short report.
- b) **Undertake a survey of current and potential users of the CTP:** To understand current and future buyers and sellers of Bonsucro credits, the consultant is expected to undertake at least 15 semi-structured interviews with a representative sample of credit users as well as

potential users currently outside of the Bonsucro system. These interviews should not only document their experience with the CTP (where relevant) but also capture their ideas around how the system can be improved and what more they believe the Bonsucro secretariat should do to stimulate the uptake of credits. The aggregated results of this survey will be shared by Bonsucro secretariat with Bonsucro's Board of Directors and Members' Council for their reflection and validation.

- c) Compare the performance of Bonsucro credits with two other peer commodity organizations that run similar book-and-claim credit systems.** Using the data and analysis carried out above, the consultant is expected to develop a detailed comparison framework covering elements such as; product range, market drivers, sales volumes, technology platform, underlying business model, rules and regulations governing the buying and selling of credits, permissible claims and marketing approach as well as the operational management of the credit system. Through document review and interviews, the consultant is expected to use this framework to compare the Bonsucro credits system with that of its peers to identify key points of similarity and difference. The output of this analysis should be shared with the peer organizations whose information is included in this comparison.
- d) Recommendations on optimizing the business rules, operations and marketing of Bonsucro credits.** Based on the analysis carried out above, the consultant is expected to develop a detailed set of short term and longer-term recommendations for the Bonsucro secretariat on how to facilitate the sale of credits and improve market uptake of certified material. These recommendations should be as concrete and actionable as possible and should specify any financial implications and risks to Bonsucro and investment assumptions.

3. Qualifications of Consultant

It is expected that consultant(s) carrying out this assignment will have the following qualifications:

- Strong background, experience and knowledge of sustainability standards, certification and book-and-claim systems (essential)
- Established relationships and/or knowledge of multistakeholder commodity sustainability organisations such as the Roundtable on Sustainable Palm Oil, Roundtable Table on Responsible Soy and the Roundtable on Sustainable Biomaterial (essential)
- Strong background in business development, marketing and/or finance linked to responsible procurement and an awareness of procurement challenges and opportunities of FMCGs (essential)
- Excellent English communication skills (written and verbal) (essential)
- Excellent fact-finding skills and a track-record on objective reporting (essential)
- Proven experience in carrying out stakeholder consultations on complex topics (essential)
- Knowledge of Bonsucro and its functioning (desirable)



4. Outputs

The key outputs of this assignment must be:

- a) A comprehensive report covering the main elements of the scope of work outlined in Section 2 above.
- b) Presentation deck summarising the main findings of the research together with the key short term and longer-term recommendations. This presentation should include an assessment of the financial implications of these changes.
- c) Report back meeting with Bonsucro leadership

5. Timeline

The assignment will commence on 1 June 2023 and should be completed by 15 August 2023.

6. Roles and Responsibilities

Bonsucro's Engagement and Markets Director together with Bonsucro's Senior Membership Manager will represent Bonsucro for the duration of the contract and will be responsible for:

- Supply of background reports and data on the CTP
- The overall management of the assignment
- Approval of work plan and comparison framework (see 2 above)
- Guidance throughout all phases of execution
- Facilitating access to Bonsucro buyers and sellers of credits
- Facilitating engagement with Bonsucro peer organisations
- Facilitating the presentation and discussion of results with key internal stakeholders

The Consultant is responsible for:

- Conducting the assignment
- Arranging and conducting meetings with key informants as well as survey participants
- Weekly progress reporting to Bonsucro
- The development of recommendations
- The production of outputs in accordance with contractual agreement

7. How to Apply

Please submit a proposal that includes the following:



- A full proposal based on a clear understanding of the objectives of the assignment, including a proposed work plan (5 pages maximum).
- A detailed CV or resume outlining relevant experience, qualifications, and references.
- A writing sample (preferably in the field of business development, marketing and/or sustainability standards)
- Budget for the work, including details of daily rates for consultancy and number of days required to do this work as well as estimated travel and accommodation costs (if applicable).

8. Terms of Service

Consultants should declare all potential conflicts of interest. The total budget should include consultant time and incidentals such as telephone expenses and any taxes (including VAT) as well as travel and accommodation costs (if applicable). Any travel needed for this project must be approved in advance by Bonsucro and will be reimbursed based on agreed guidelines. All information exchanged during the contract will be confidential, unless otherwise indicated, and the consultant will be expected to sign a non-disclosure agreement with Bonsucro at the outset. The outputs of this assignment will be property of Bonsucro. ***Closing date for submissions of proposals is 9 May 2023. Proposals should be sent to Norma Tregurtha(norma@bonsucro.com).***