

Grant Opportunity

2023: Collective action to strengthen human rights and promote decent work in the sugarcane sector

Applicants Guide

Summary

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| Innovation grants: Two grants of up to £50,000 each |
| Impact grants: One grant of up to £150,000 |
| Innovation grants: 12 - 18 months |
| Impact grants: 18 - 36 months |
| Human rights and decent work are strengthened in sugarcane |
| milling and farming through actions that: |
| Eliminate and/or remediate child labour and forced labour, and/or Improve health and safety and working conditions of sugarcane workers |
| Workers and communities linked to sugarcane value chains |
| • Projects that prioritise supporting smallholder farmers and |
| address gender will be prioritised for funding |
| • Lead applicant must be a Bonsucro member in compliance |
| with all membership requirements |
| • Consortium must include at least three partners (including |
| lead), including multiple actors across the supply chain. |
| Preference will be given to consortia with Bonsucro end-user |
| members and more so to credit buying members. |
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| | | • | Match funding of at least 30% of the total budget - this match funding can be cash or in-kind If requesting funding for capital expenditure (purchase of equipment), the rationale must be clear |
|---|--------------------------------|---|---|
| • | Closing date for concept notes | • | 3 July 2023 |
| • | Eligible countries | • | Americas: Argentina, Barbados, Brazil, Colombia, Costa Rica, Cuba, Dominican Republic, Ecuador, El Savador, Guatemala, Honduras, Jamaica, Mexico, Nicaragua, Paraguay, Peru, Uruguay. Africa: Cameroon, Eswatini, Kenya, Mauritius, South Africa. Asia-Pacific: Australia, China, India, Pakistan, Thailand. |

1. The Bonsucro Impact Fund

The <u>Bonsucro Impact Fund (BIF)</u> was launched in early 2022. This grant-making fund leverages the income made from sales of Bonsucro Credits through the Bonsucro <u>Credit Trading Platform</u>, to coinvest in impact projects which support sustainable sugarcane production, in line with the <u>Bonsucro</u> <u>2021-26 Strategic Plan</u>. These typically involve multiple supply chain actors and partners working together to address critical challenges facing the sugarcane sector and to develop shared solutions that can be replicated by others.

The fund works by publishing "Calls for Proposals" focused on specific themes and invites members and their partners to apply for grants through a competitive selection process. These themes connect to key areas of Bonsucro's Strategic Plan and contribute to the achievement of Bonsucro's strategic aims.

This specific call for proposals is aimed at supporting projects that develop and test innovative tools, technologies, approaches and partnerships that improve human rights and decent work in the sugarcane sector. Bonsucro is looking to award up to two grants of £50,000 each to support two innovation projects, as well as one grant of £150,000 to support one impact project.

2. Why focus on human rights and decent work?

Sugarcane is grown in more than 110 countries around the world. Regardless of where it is produced, it is considered a "high impact" crop – it generates significant positive and negative environmental and socio-economic impacts. It is estimated that over 100 million people across the globe make their living from sugarcane cultivation and processing. For some workers and growers, sugarcane



production offers a pathway to prosperity – however this is not the case for most. Since much of the world's sugarcane is grown in countries with significant social and labour challenges, issues around adequate pay, basic rights, gender equality and working conditions are present in many farms and mills.

The employment of seasonal and migrant workers creates opportunities for unethical recruitment practices to go unchecked, which can lead to debt bondage and human trafficking. For example, sugarcane has been identified by the US Department of Labour¹ as a commodity associated with forced labour in Bolivia, Brazil, the Dominican Republic, Myanmar, and Pakistan. Child labour is also a problem in some countries. According to the International Labour Organization (ILO), almost a quarter of the migrants working in the sugarcane harvest in Bolivia are children under the age of 14².

There are various forms of gender discrimination in the sugarcane industry. The sector is maledominated, and women workers are mostly found in specific, lower-paid, gendered roles. Research has confirmed that a significant gender pay gap exists in the sector, and that women workers are denied equal working conditions, or work in unsafe environments. For example, in India, women day labourers on sugar farms in Utter Pradesh earn half of what their male counterparts earn for the same work³. In South Africa, a gender imbalance was found in sugarcane operations around skills development, hiring and training practices⁴. Gender-based violence is also an issue for the sugarcane sector. Reports of sexual harassment from labour brokers and requests for sexual favours in exchange for job opportunities or lighter work have been reported in Malawi and Guatemala⁵.

In general, the physically demanding nature of sugarcane production poses a health risk to those who work in the industry. Long hours of exposure to high temperatures, pesticides, and smoke from burning cane fields leaves workers vulnerable to heat exhaustion and dehydration, as well as workplace injuries and chronic kidney disease. These health challenges are exacerbated by inadequate access to health care which is a feature of the industry.

Bonsucro, through its strategy and through the Bonsucro Impact Fund, is committed to continuing to drive decent work and safer working conditions for farmers, farm workers and mill workers – including zero tolerance for forced labour and child labour, and safe recruitment for migrant workers, reducing discrimination in all its forms and promoting gender equality. This is also aligned with the requirements of our <u>Code of Conduct</u>, which commits our members to respect human rights and ensures convergence with the <u>UN Guiding Principles on Business and Human Rights</u> and the <u>OECD</u> <u>Guidelines on Multinational Enterprises and for Responsible Agricultural Supply Chains</u>.

¹ US Department of Labor, 2021. <u>https://www.dol.gov/agencies/ilab/reports/child-labor/list-of-goods-print?items_per_page=10&combine=sugar</u>

² International Labour Organisation, 2017. Child labour in the primary production of sugarcane / International Labour Office, Fundamental Principles and Rights at Work Branch (FUNDAMENTALS) - Geneva: ILO.

³ Oxfam India, 2018. The Human Cost of Sugar.A farm-to-mill assessment of sugar supply chain in Uttar Pradesh. Oxfam India Discussion Paper.

⁴ Nemarumane, T.M.; Mbohwa, C. 2015. Social life cycle assessment in the South African sugar industry: Issues and views. In Social Life Cycle Assessment; Singapore:Springer

⁵ International Labour Organisation, 2017. Child labour in the primary production of sugarcane.



3. What types of human rights impact projects is the Bonsucro Impacts Fund looking to support?

Innovation grants

The BIF will fund two smaller grants (up to £50,000), for up to 18 months. These will be for pilot projects that prototype, test, and validate innovative approaches, tools, technologies and/or collaborations that improve labour and human rights in sugarcane farming and milling. While direct impact will be important from these projects, equally important will be the development of knowledge and understanding of scalable and replicable approaches to achieving impact. While these pilot projects are not limited to Bonsucro certified mills and producers, the projects put forward should reflect alignment with the principles, criteria and thresholds set out in Bonsucro's approved **Production Standard**⁶.

Impact grants

The BIF will also fund one larger grant (up to £150,000) for projects that will produce tangible results and impact for communities within the sugarcane sector while at the same time enhancing knowledge and learning for the sector. Projects that receive an impact grant will be expected to demonstrate the potential for change and large scalability. Projects will be for the duration of up to 36 months.

Assessment criteria for all grants:

- **Collaboration, convening**: all projects will be collaborative initiatives bringing together a diverse range of actors and will work across the supply chain. To bring about tangible change, the applicants will work with all key stakeholders to encourage ownership and leadership from the start.
- Sound theory of change/methodology: all projects will need to present a sound methodology through a robust logical framework (logframe) that presents how the activities will create the change you expect to see (your theory of change) and how they will contribute towards achieving the Bonsucro Strategic Plan as detailed in the <u>MEL framework for the BIF</u>. The justification for the project should be supported by a sound understanding of the local context and factors, as well as through any needs assessment data.
- **Participation and involvement of local stakeholders**: to undertake a successful project intervention, we would expect that all key and local stakeholders would be engaged in a meaningful manner from the start, and would have the opportunity to help shape the design of the project. This engagement would also encourage their long-term ownership and commitment to the project.

⁶ This means that for climate change mitigation initiatives, projects should aim to reduce land use changes, reduce agrochemical, fertiliser and diesel use, improve soil health and/or eliminate post-harvest burning practices. In the case of water stewardship initiatives, projects should focus on encouraging water use reductions, minimising the detrimental impacts of waste discharge and enhancing water efficiency per unit of cane produced. Solutions that aim to develop collaborative water management actions are also encouraged.



- **Measurability and impact**: The projects need to be able to measure their impacts. We request logframes to present SMART⁷ outcome indicators. These indicators should be an appropriate mix of quantitative and qualitative indicators in line with the <u>MEL guidance for BIF grantees</u>.
- Vision of scalability: as a global grant-making vehicle, the BIF aims to fund initiatives that can be relevant for more than one sugarcane origin country. We would like to see projects that can be scaled within the local, national, regional and global contexts.

Cross-cutting themes:

- **Smallholders:** the BIF will prioritise any projects that support smallholders to produce sugarcane more sustainably, while at the same time increasing their resilience to climate change. Any projects that focus on disadvantaged groups involved in sugarcane production will also be prioritised.
- Gender: the BIF will prioritise any interventions that meaningfully address gender and gender-specific issues in their proposed project. We would especially like to see projects tackling equitable access to employment, opportunities and any gender-based violence⁸ risks associated with sugarcane production.

Projects need to take place in one of Bonsucro's prioritised countries: While Bonsucro is a global organisation, it has small regional teams based in a handful of countries. Rather than spread its impact projects too thinly, this "Call for Proposals" can only be used to implement projects where the bulk of activities will be carried out in the following countries:

| Americas | Americas: Argentina, Barbados, Brazil, Colombia, Costa Rica, Cuba, | | | |
|--------------|--|--|--|--|
| | Dominican Republic, Ecuador, El Savador, Guatemala, Honduras, Jamaica, | | | |
| | Mexico, Nicaragua, Paraguay, Peru, Uruguay. | | | |
| Africa | Cameroon, Eswatini, Kenya, Mauritius, South Africa. | | | |
| Asia-Pacific | Australia, China, India, Pakistan Thailand. | | | |

Projects need to be co-funded: All project applicants must also provide co-funding to support project implementation at a minimum of 30% of the overall project costs. This co-funding can come from different sources including in-kind contributions (for example, staff time) and/or funding provided by the organisation or partners or donors.

⁷ SMART indicators are those that are specific, measurable, achievable, relevant and time-bound.

⁸ UNHCR defines "Gender-Based violence refers to harmful acts directed at an individual based on their gender."



Notes on what the BIF will and will not fund:

The BIF is intended to support projects that can provide value for money through substantial innovation and catalysing interventions. Therefore we have some restrictions on what we will and will not fund:

We will fund:

- Testing of approaches which aim to scale up the roll out of proven solutions through innovative partnership arrangements, business models, leverage of funding to bring about impact.
- Projects which have applicability across a wide area of Bonsucro's membership base.
- Projects which leverage or build partnerships across the value chain.

We will not fund:

- Early-stage field trials to test unproven new technologies.
- Projects which do not have clearly articulated learning objectives and knowledge sharing plans.
- Projects which involve a high proportion of budget expenditure on technical assistance, consultancy support or capital expenditure.
- Projects which are not presented through a well-developed work plan and budget.

Note: this list is not exhaustive and is provided for guidance purposes.

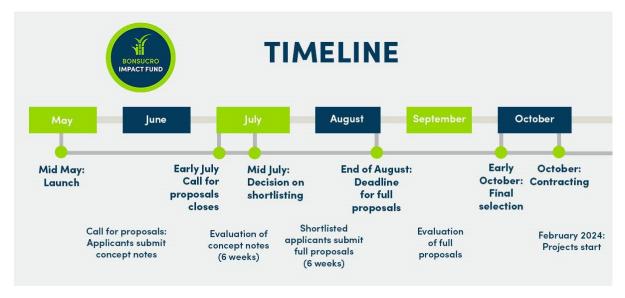
4. How to apply?

Applying for grants can be a time-consuming process, especially if you are still finalising your project idea and confirming the partners involved, activities and budget. To make it easier for members to put forward impact projects, we follow a two-stage application process.

The **first stage** involves preparing a short concept note outlining your project idea. These concept notes are evaluated by the Project Selection Committee⁹ (PSC), and the most promising project ideas are invited to proceed to the **second stage** - submitting a full proposal. The steps involved in our grant-making project are shown in the graphic below.

⁹ https://bonsucro.com/wp-content/uploads/Bonsucro-Impact-Fund-TOR-PSC-v1-March22.pdf





Project concept notes

The project concept note template (available <u>here</u>) asks applicants to describe the need for the project, its envisaged impact, the activities planned, as well as who will be involved in the implementation. The concept note template can be completed in English, Spanish or Portuguese and should be sent to <u>fund@bonsucro.com</u> before the closing date – 3 July 2023.

If you are thinking of submitting a concept note, you should let us know as soon as possible by emailing us at <u>fund@bonsucro.com</u>. Bonsucro staff can help by sense-checking concepts, connecting you to potential partners, and highlighting synergies and overlaps with other projects. We will also be able to send you additional information on our contracting procedures and share our list of Frequently Asked Questions. Bonsucro will host Q&A webinars on the Bonsucro Impact Fund for applicants. Please check our <u>Events web page</u> to register to join.

All the concept notes we receive are first screened for eligibility by our fund management team and then evaluated by the fund's Project Selection Committee (PSC) with the most promising applicants being invited to submit a full proposal. The criteria the PSC uses to evaluate the concept notes include:

- Collaboration, convening element
- Sound theory of change/methodology
- Participation and involvement of local stakeholders
- Measurability and impact
- Vision of scalability

Full project Proposals

The Full Project Proposal template (available <u>here</u>) builds on the concept note you submitted but asks for more detailed information, with a narrative, logframe and workplan, and a project budget. Additionally, applicants must provide information on how they will approach monitoring and evaluation (M&E). If needed, Bonsucro can offer some limited technical support to develop this approach to M&E, but only to farmer organisations and NGOs - and only on a first come, first served basis. If you are invited to submit a full proposal, we will also let you know about any specific concerns



or issues the PSC raised when they reviewed your concept note so that these can be addressed in the proposal. The Full Project Proposal template is only available in English and only submissions in English will be accepted. Bonsucro can support the funding of translation carried out ahead of the deadline. Arranging and quality assuring the translation will be the responsibility of the applicant.

The Project Selection Committee will evaluate these full proposals against the criteria previously listed. In some instances, they will seek clarifications on specific aspects of the project and proposal. In other instances, award of the grant may be subject to specific conditions, which will be discussed and agreed with the BIF management team. Once these elements have been agreed, the BIF management team will make a recommendation to the Board of Bonsucro to approve the grants selected, subject to satisfactory due diligence.

5. What steps are involved in contracting?

Finalising the proposal and budget

Once a decision has been made to award a grant for a specific project, based on feedback from the PSC or the Board, we might ask the applicant to adjust their full proposal and budget. This final negotiated proposal and budget will be used as part of the Grant Agreement.

Due diligence

Before signing a Grant Agreement, lead applicants will be asked to complete Bonsucro's grant due diligence questionnaire and submit relevant supporting documentation. This questionnaire looks at whether the applicant who will receive our grant has sound management and financial systems in place and whether they are up to date with Bonsucro reporting requirements against the Code of Conduct. An example of this due diligence questionnaire can be found <u>here</u>.

Signing the Grant Agreement

If you are considering applying for a grant, please review <u>our sample Grant Agreement</u>. There are two clauses that are particularly important – Clause 4 that deals with Prohibited Uses of the grant and Clause 13 that deals with Intellectual Property Rights. When you submit a full proposal, please let us know whether you anticipate that any parts of our Grant Agreement will be problematic for your organisation and the reason for this.

6. What do we ask of grant recipients?

Grantee conduct

Recipients of our grants are expected to follow both the terms and spirit of our Grant Agreement. They must always respect basic human rights in accordance with <u>Bonsucro Code of Conduct</u>, and must comply with the employment laws in the countries where project activities are being carried out. They must also carry out due diligence on all subcontractors to ensure they also meet these minimum standards.

Reporting requirements



Grantees must submit one narrative, logframe and financial report every six months and at the end of their project. Additionally, we will schedule two check-in calls every quarter to find out how the project implementation is going and whether we can offer support.

Grant payments

A first payment of 25% of the grant value is made upon signing of the Grant Agreement. The second payment of 25% will be made upon approval of the interim reports. The balance of the grant – the remaining 50% - is paid once the final project reports have been submitted and accepted.

Communications and visibility

To increase Bonsucro's visibility and make it easier for us to attract resources for the Bonsucro Impact Fund, grantees need to acknowledge our support by adding the Bonsucro Impact Fund logo to all publications, reports, banners, press materials and other products that the project develops. After signing a Grant Agreement with Bonsucro you will receive the BIF Communications Guidelines which details our requirements.

Project Modifications

We know that in the real-world projects don't always go perfectly to plan. We recognise this and have procedures in place to manage this process.

Requests for budget modifications: Small transfers (less than 10% or GBP £1,000 per budget line – whichever is the largest) between approved budget lines don't need our approval. However, if you want to transfer more than 10% between budget lines we need to approve this change, and issue you with a grant amendment before the change happens.

Requests for project time extensions: If you need to extend the time period of your grant (the amount of the grant cannot be increased, but no-cost extensions are allowed if reasonably justified) you should let us know by sharing a brief description why you need the extension and how long this extension is needed for. You should let us know about this at least three months before your grant is expected to end.