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## Theory of Change

This document explains Bonsucro's new Theory of Change and the arguments and assumptions behind Bonsucro's new strategy.

### 1. Background

In June 2005, thirty stakeholders in the global sugar cane industry identified the key social and environmental impacts of sugarcane production and discussed how best to address these impacts through a collaborative approach. The representative stakeholders were from unions, producer groups, banks, branded goods companies, traders, intergovernmental organisations, non-governmental organisations (NGOs) and research institutes.

The Better Sugar Cane Initiative (BSI) was then formed as a global multi-stakeholder non-profit initiative dedicated to reducing the environmental and social impacts of sugar cane production.

Between 2005 and 2010 BSI worked intensively with experts and through long periods of consultations and pilot testing in multiple countries to develop a global sustainability standard for sugarcane. After approval of the first version of the standard in 2009, BSI worked to build an effective certification system in 2010.

2011 was a landmark year for the organisation, following more consultations version 3 of the Production Standard was released, BSI transitioned into becoming the membership organisation Bonsucro and the first certification was achieved in Brazil.

The period between 2011 and 2015 saw Bonsucro grow exponentially as an organisation, reaching over 400 members in 32 countries as well as the consolidation of Bonsucro's certification as a credible system for demonstrating sustainability with over 50 mills certified in 4 countries and over 25 supply actors being chain of custody certified. By 2015 over 800 thousand hectares were certified, 3.87% of global sugarcane production, and a thriving market for sustainable sugarcane products was in place.



## Bonsucro 3.0 – A natural evolution

The global sugarcane platform

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	1.0 The initiative (2005 - 2010)
	2.0 The certification scheme (2011 - 2015)
	3.0 The change platform (2016 onwards)

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2015 was nonetheless a year of changes for Bonsucro as the organisation realised the need to change and evolve.

Firstly, feedback from buyers pointed to the fact that, although the certification system was robust and credible, change was not happening at the pace and scale expected and that market availability of certified products was limited. The organisation came to understand that certification was limited to those producers already advanced in their sustainability practices, and was leaving out a representative part of sugarcane production, namely:

- 1- Smallholders,
- 2- Producers that were not convinced by the value proposition of certification (e.g. small producers, producers not involved in international supply chains, etc.),
- 3- And producers who were pursuing other certifications or local sustainability schemes.

Secondly, the external development context, with countries agreeing on the Sustainable Development Goals, created new opportunities for additional investment in agriculture and Bonsucro saw the potential that sugarcane has in contributing to their achievement.

This scenario made the organisation understand that certification should no longer be the sole focus of Bonsucro, and that it should be only one of the possible approaches to help producers to improve. A platform model, built on partnerships and global alignment, was better suited to take the organisation forward. Broadening our scope to support and facilitate those working directly and indirectly with sugarcane producers and enable them to thrive was needed.

The context led Bonsucro to propose a new strategy (approved by the Board in early 2016), to become the global sugarcane platform, creating value and positive change in the sugarcane sector.

### **New Mission & Vision**

Bonsucro's **vision** is a sugarcane sector with thriving, sustainable producer communities and resilient, assured supply chains.

Our **mission** is to ensure that responsible sugarcane production creates lasting value for the people, communities, businesses, economies and eco-systems in all cane-growing origins.

Our **strategy** builds a platform to accelerate change for the largest agricultural commodity in the world – sugarcane.

## **2. Theory of Change**

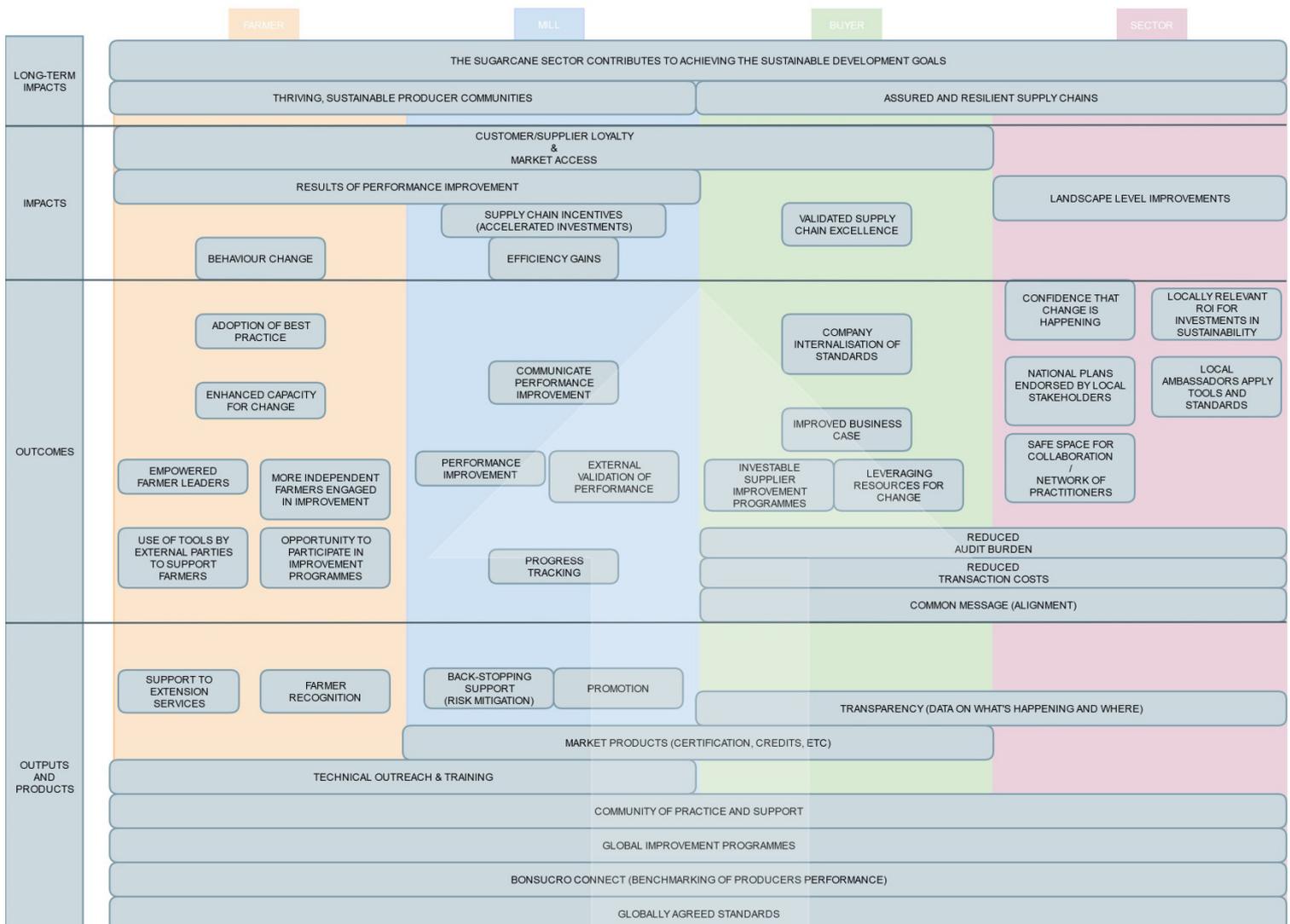
At the core of Bonsucro's strategy refresh process were two central questions: 1) "what change do we want to happen" and 2) "how does this change happens". To support this process a Theory of Change has been developed, illustrating how the complex process of change in the sugar cane sector will unfold over time and explaining the logic of how the Bonsucro platform activities and outputs will lead to proposed outcomes and impacts. In this case outcomes relate to the changes in

behaviour, relationships, actions, or activities of the main stakeholders as a result of uptake of the platform activities.

Finally this Theory of Change forms the basis for the Monitoring and Evaluation framework, keeping track on progress and ensuring continuous learning and improvement of the platform.

At the core of Bonsucro’s Theory of Change is the continuous improvement of the (social, economic, environmental) performance of sugarcane farmers and millers, through four main pathways to impact:

1. A focus on bringing independent farmers (outgrowers) into performance improvement activities, as they are responsible for almost 50% of the total cane production (**farmer impact pathway**)
2. Improved ability for an increasing number of sugarcane mills to enhance social, environmental and economic performance (**mill impact pathway**).
3. Drive supply chain excellence through performance validation and deliver products and programmes that allow supply chain actors to invest and support their suppliers (**buyer impact pathway**)
4. Facilitate and support national sector improvement approaches in selected high potential countries (**sector impact pathway**)



The image above explains the Theory of Change through each Impact Pathway, those pathways take a stakeholder perspective towards achieving a common objective: sustainability performance improvement at farm and mill levels.

**Outputs and products:** in the image above, “outputs and products” refer to the activities and services carried out by Bonsucro and their results. As described in the image, some of those outputs and products relate to two or more impact pathways. Those activities and services are described in detail in the next section within each of the three sections of Bonsucro’s Approach.

**Outcomes:** Outcomes in the image above refer to the short-to-medium term consequences of effective implementation of the outputs and products, also within a stakeholder perspective (farm, mill, buyer, sector). Within the “outcomes” section of the image there is also a temporal structure (i.e. the outcomes at the bottom precede the outcomes at the top in a causal chain perspective).

**Impacts:** Impacts in the image above refer to the medium-term results given that the assumptions around outcomes are true. They are the stepping-stone for the intended long-term impacts of Bonsucro and also follow a causal logic from bottom to top. These outcomes are directly connected to Bonsucro’s outputs and products and are a necessary condition to achieving the intended impacts and long-term impacts.

**Long-term impacts:** those refer to the highest level of the causal chains and link back to Bonsucro’s vision and mission. Those are areas where Bonsucro seeks to understand its contribution based on indicators that will be developed and communicated in due course.

### **3. Bonsucro’s Approach to delivering the Theory of Change (Inform, Improve, Inspire)**

Bonsucro’s seeks to add value to its core stakeholders, through effective delivery around the following guiding principles :

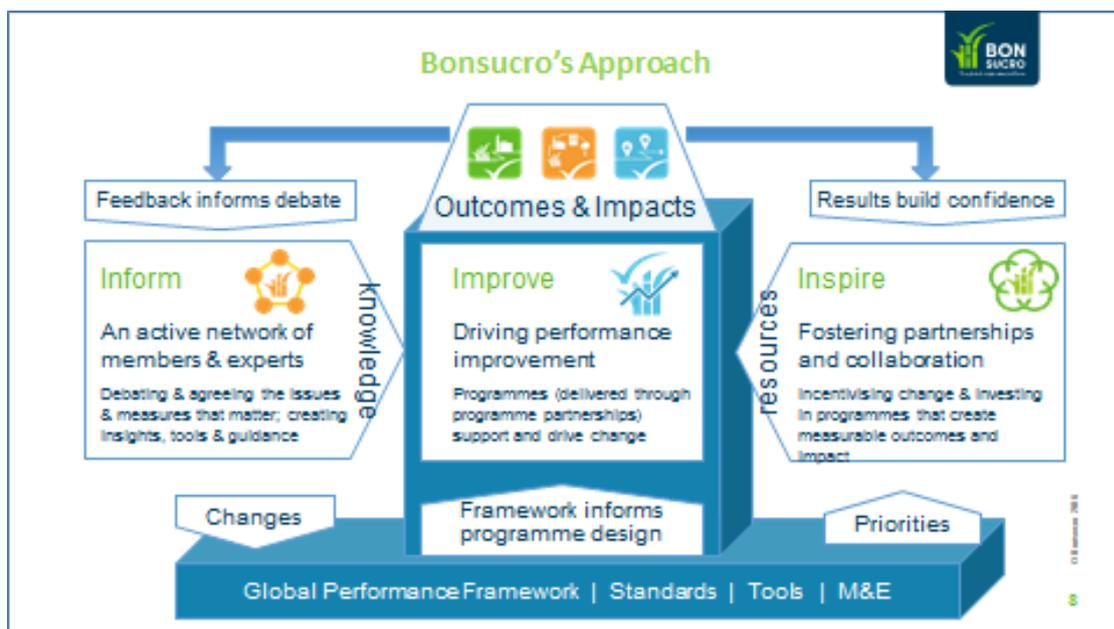
- Supporting alignment and consensus building among key stakeholders on all levels
- Creating transparency on sector performance and progress
- Facilitate validated cane supply/value chains
- Facilitate collective action to overcome key challenges producers are facing in their process to improve performance.

The key change from its previous strategy is Bonsucro’s revised focus on the ‘**enabling circumstances**’ that allow sustainable change and impacts on the ground to be more likely. The

platform model is build around the proposition that in order to be effective it's priorities and development of activities and tools follow the central approach below:

- Inform: support key stakeholders (mainly producers) to understand why they should improve performance, including providing agreed standards, performance measurement, shared learning, an active member network; offering specific tools that support producers to improve.
- Improve: Global improvement programmes developed by Bonsucro, to overcome key challenges towards a responsible cane sector.
- Inspire: increasing scale and pace of improvement through reducing risks and barriers for sugarcane producers including through financial incentives, local improvement programmes, market incentives, a global support network, and benchmarked and endorsed improvement schemes.

This approach revolves around a positive loop between **Knowledge Creation & Transfer** and **Resources, Investments & Incentives** that feed into four global programmes aimed at enabling change for sugarcane producers in different circumstances.



Where the assumption that “Knowledge + Resources+Plans =Change” comes from?

### INFORM (Knowledge Creation and Transfer)

Knowledge creation and transfer (the “inform” side of the new strategy) is the base for learning and continuous improvement in several fronts. The strategy conceptualises knowledge creation in different activities and services:

- **Standards, training, and support:** the use of Bonsucro’s standards combined with technical outreach/training and back-stopping support leads to performance improvement. Bonsucro also supports the extension service teams of the mills, farmer associations, development

organisations, or others that work directly with mills and farmers, leading to an enhanced capacity for change (i.e. producers understand where they are in their sustainability journey, and know what their next step is). The key assumption is that if producers have the capacity and resources to change, they are more likely to implement changes and to improve sustainability performance. Bonsucro also provides guidance to producers and those working with producers and enables them to access a rich repository of experience and technical solutions, facilitating further knowledge dissemination.

- **Bonsucro Connect (Bonsucro Calculator):** Comparing your performance with others in a similar context along with data visualisation plays a crucial role, as it helps people to understand the meaning behind performance data and to learn from and act on it. The Bonsucro Connect (the online version of the Bonsucro Calculator) is also a key component of Bonsucro's approach. Bonsucro Connect is a tool that allows farmers and mills to benchmark their performance (in social, environmental and economic terms) against peers and against Bonsucro's metric standards, tracking their performance and improvement over time. This plays a pivotal role in producers being able to communicate about their achievements (celebrating success), understand where improvements can happen (understanding the next steps) as well as providing a standardised framework for knowledge and experience sharing amongst sugarcane farmers and millers.

The use of Bonsucro Connect by external parties, those supporting farmers and their associations for example, is a critical assumption for the longer-term impact in terms of performance improvement. From a buyer perspective, Bonsucro Connect is also a comprehensive database of supplier performance data. This data, while protected and confidential, allows traders, buyers, and other supply chain actors to understand what is happening where, thus informing decisions, investments and allowing optimal allocation of resources and incentives for supplier improvement programmes. This data also supports an increasingly clearer business case for sustainable products, which can be used to further recruit buyers and investors onto the Bonsucro platform and for leveraging more resources for change.

- **Community of Practice and Support:** Bonsucro congregates key international and local stakeholders, forming a community of practice and support that allows farmers to take their next step towards sustainability. This supportive community and the opportunity to participate in improvement programmes means that farmers have the technical and financial support to be able to take the risks, seize opportunities and implement changes (taking the next step).

The knowledge created and transferred is used to inform programme design, to help producers to continuously improve, to support supply chain actors to understand where the gaps and risks are, and to direct effective investments and initiatives.

## INSPIRE (Resources, Investments & Incentives)

Resources, investments and incentives (the “inspire” side of the new strategy) are the base for increasing pace and scale of change in the sugarcane sector. It revolves around fostering partnerships and collaboration and engaging buyers as well as private and public investors and donors in support of programmes that drive measurable outcomes and impacts.

Activities in the “inspire” bucket seek to create the resources, investments, and incentives needed to promote change. They include:

- **Member recruitment and retention:** activities to increase the scope and reach of Bonsucro’s membership, building a stronger community to support change.
- **Certification and Validation:** Bonsucro’s robust and credible standards and verification systems allow for validated supply chain excellence, which combined with a gradual internalisation of the standards by companies leads to assured and resilient supply chains.
- **Farmer Recognition:** Bonsucro offers Farmer Recognition, which in practice is a certification against the farming components of the Bonsucro Production Standard. This recognition rewards farmers that have been improving towards fully meeting the Bonsucro Standards, also potentially supporting better market access and funding to farmers and empowering farmer leaders to work with their peers to promote local improvement.
- **Globally Agreed Standards:** Bonsucro sets and manages globally agreed standards for sugarcane production and processing. Because of their global nature, these standards can promote alignment and send a common message to supply chain actors, this has two important benefits, for producers it means reduction of audit burden (i.e. a producers can be audited once against a single global standards, rather than have to be audited by every different client or against multiple standards), and secondly, for supply chain actors in general, the existence of a global standard and common language for sugarcane sustainability means reducing transaction costs across supply chains and simplifying the market and trade of sustainable sugarcane products.
- **Building Consensus:** Bonsucro promotes collaboration and partnerships on key issues and opportunities in the sugarcane sector. This output allows the leveraging of resources globally and also supports an improved business case for sustainable sugarcane products. Since Bonsucro creates a safe space for collaboration, this means that individual buyers do not need to “reinvent the wheel” to address supply chain challenges, they can use available, cost-efficient, and tested solutions as well as share lessons and learn from peers who are working on the very same issues and opportunities, going faster and farther, together. Bonsucro can also catalyse collaboration into local or national platforms, based around local plans agreed by local stakeholders. This creates a safe space for collaboration and learning, and in a local/regional perspective, it promotes a network of practitioners that work on sustainability improvement and that learn from each other and leverage resources to promote change that is locally relevant at a faster pace.
- **Market Products (including certification and credits):** Bonsucro also creates different products that allow improved market recognition of mills and farmers that have committed to improve. The outcomes of those products mean that there is a robust system for external

validation of a producer's performance as well as better communications around that performance improvement, thus creating transparency in the marketplace.

- **Promotion:** Bonsucro works with several partners including buyers and traders of sugarcane products to ensure that products designed to producers (farmers and mills) are also recognised by the market and that market players have ways to support and reward producers committed to sustainable practices.

### **IMPROVE (Global Improvement Programmes)**

Bonsucro's new strategy brings five new global programmes (the "improve" section) that the organisation hopes align with the circumstances that the vast majority of producers (farmers and mills) in the sugarcane sector face in terms of their sustainability journeys. The objective to Bonsucro is to meet producers, wherever they are in their journeys, and support them to identify and take the next step. The programmes have different focuses but a common objective to enable change towards sustainability in varied contexts:

- **Certification Fast-Track:** Provides capacity building and support (gap audits, improvement plans, training and advice) to those producers looking to get certified as quickly as possible.
- **Benchmark & Endorsement:** Offers benchmarking and endorsement capabilities as well as a learning platform for peer standards and Local Improvement Programmes (LIPs), the organisations, tools and programmes from governments, civil society or private sector, that work with sugarcane farmers and mills.
- **Productivity & Professionalism:** Offers a new value proposition aimed at attracting preferential investment/funding to producers that are not yet convinced of the market-based value proposition of sustainable performance.
- **Smallholder Impact:** Seeks to validate, learn from, and scale up programmes specifically targeting smallholders.
- **Country and regional plans:** activities to drive local improvement owned by local industry and stakeholders.

## **4. Bonsucro's Approach - Summary**

As mentioned above, the Bonsucro approach proposes that:

1. **Knowledge creation and transfer** combined with
2. **Resources, investments and incentives** and delivered through
3. **Programmes/Plans**  
will lead to positive change. The measurable results of those changes then:
4. Create **confidence and trust** that improvement is happening and thus attract further investments and increase **pace and scale of change**, as well as
5. Create new learning and help understanding weaknesses and **refining change programmes**, as well as **informing debates and refining the Standards**.

## **5. Monitoring Framework**

In order to monitor implementation and achievement of the Theory of Change (as well as testing its key assumptions), Bonsucro will be defining a framework of indicators and evidence. The process for building the monitoring framework will include consultation with stakeholders (members and external organisations) and is expected to be completed by early January 2018 and to be presented at Bonsucro Week in Nicaragua.

### **Comments/Questions?**

If you have any questions or comments regarding Bonsucro's new Theory of Change and M&E indicators, please contact Rafael Seixas at [rafael@bonsucro.com](mailto:rafael@bonsucro.com)