**Protocol for Endorsement of**

**Local Improvement Programmes**

**Draft Version V0.3 – For Consultation (Round 2)**

Thank you for participating in this consultation to develop the Bonsucro Endorsement Protocol, a process that will be used by Bonsucro to recognise and endorse Local Improvement Programmes (LIPs). The Endorsement Protocol is part of our Benchmarking and Endorsement (B&E) Programme that was developed to provide clarity and assurance about the schemes and programmes that farmers and millers can use to improve their performance. It also provides credible pathways for buyers, donors and other organisations to contribute to thriving, resilient and responsible producer communities.

History of the document

In early July 2017, Bonsucro held 3 webinars with our stakeholders in the Americas, Europe and Africa and Asia to introduce our Endorsement Programme and request feedback on the draft outline (V0.1) to ensure that Bonsucro delivers value to businesses and communities concerned about bringing more value to producer communities around the world. Based on the comments received, it was evident that a deeper review of the Endorsement process was required, not just to ensure credibility and reduce risk, but also to maintain a consistency of approach and alignment with other newly developed Bonsucro programmes such as Stepwise approach and the Production Standard for Smallholders.

Consultation Process

The following is a draft version of the protocol issued for the second round of public consultation. This consultation is to specifically review the requirements of the Endorsement Protocol and questions are listed at the end of each section (highlighted in yellow).

Revisions from Round 1

* Added Phase 3 - Endorsement phase
* Added requirement for Partnership Agreement between Bonsucro & LIP partner
* Added requirement for third party verification requirement at end of phase 2
* Amended time limit for Phase 1 – reduced to max of 1 year
* Amended annual reporting requirements – changed from required reporting on basic performance indicators (6 + 1 indicators) to more flexible options

Consultation questions (also repeated in the document for ease of reference):

1. Questions related to Phase 2 Improvement
2. Is 2 years (or seasons) of data sufficient to demonstrate improvement? If not, what would be a sufficient time to demonstrate improvement?
3. Third party qualifications – For LIP verification, what would be the minimum required qualifications of the verifier?
4. Verification – Would a desktop verification be considered sufficient or must it be carried out at field level? Please justify.
5. Questions related to Phase 3 Endorsement
6. Publication of results – To be transparent, we suggest that a summary of the verification report is published online – contents to include general information on the LIP (programme description and objectives), programme scope (participants, area of coverage etc.) and reported KPIs. Note that approval by LIP is required prior to publication.
   1. Should a summary report be published or is an announcement on Endorsement sufficient? Please justify
   2. If a summary report is required, are the listed contents acceptable? Should content include any additional information? Please detail.
7. Governance
8. What are relevant considerations for inclusion in the partnership agreement between Bonsucro and the LIP partners?
9. Question on demonstrated improvement
10. To progress from Phase 2 Improvement Phase to Phase 3 Endorsement, what would be the minimum set of indicators that would be assessed (1 choice)?
    1. Core Bonsucro indicators addressed by the LIPs
    2. Own LIP internal KPIs
    3. Both
11. What would be an acceptable sampling methodology (1 choice)?
    1. 100% participation,
    2. square root of participants,
    3. square root of participants x risk factor (to be created),
    4. Bonsucro sampling methodology (based on volume produced)

Please provide feedback directly on this document or in an email (with question number) [nahuel@bonsucro.com](mailto:nahuel@bonsucro.com). **Deadline for feedback is October 18, 2018.**

About Endorsement

The Endorsement component of the B&E Programme is designed to support the uptake of the Bonsucro Principles and Criteria for the sustainable production of sugarcane-based products. It creates a framework for buyers, donors, producers and other organisations. to help make an informed choice when deciding whether to invest/participate in the LIP. Endorsement will help businesses:

* Make a high-level assessment of the viability of the programme design,
* Ensure that performance is measured relative to the Bonsucro Production Standard,
* Create an overview of programmes around the world and how they are related to each other and to Bonsucro as a global platform, and
* Share high level aggregated reports on progress against targets per geography.

The Endorsement Protocol is a **three-phased process** that validates the design and effectiveness of a local improvement programme (LIP) in supporting a group of farmers and/or millers to improve their performance in the production of sustainable sugarcane and sugarcane-derived products. It builds on the benchmarking of schemes graded with Intermediate or Comprehensive alignment (or the Bonsucro Calculator) – that are operating effectively and delivering on outcomes for. While Benchmarking says something about *what a scheme is and what it can do*, Endorsement says something about *how effective it is* in achieving performance improvement.

**DOCUMENT OUTLINE**

**Part I – Endorsement Programme Overview:**

* Endorsement Overview & Framework
* Programme Eligibility Criteria
* Claims

**Part II – Evaluation Criteria:**

* Eligibility
* Phase 1
* Phase 2
* Phase 3

**Part III – Reporting**

* Timeline
* Reporting requirements
* Endorsement fees

**Annex**

**PART I – Endorsement Programme**

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| OVERVIEW | | |
| Endorsement is **three-phased process** that validates the design and effectiveness of a local improvement programme (LIP) in supporting a group of farmers and/or millers to improve their performance in sustainable sugarcane production. | | |
| Design | Improvement | Endorsement |
| The LIP managers and CSO partner(s) design and develop the programme and management system.  The necessary structural elements are in place to support improvement such as integrated management and assurance systems and defined roles and responsibilities for governance, data collection, improvement planning etc. | The LIP managers and CSO partner monitor progress towards core and KPIs.  assesses the effectiveness of the LIP based on reported performance improvements (baseline, KPIs).  A third-party verifies improvement at the field level. | Bonsucro reviews the verification report and validates the LIP. Endorsement is approved by the Bonsucro Secretariat with an announcement and summary report published online. |

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| **PHASE 1 – DESIGN** | **Time: up to 1 year** | |
| In Phase 1, LIPs further develop and refine their programme by setting out objectives and goals; developing an implementation plan (for a defined group of farmers and/or millers) and corresponding M&E system, with defined performance indicators (KPIs) and programme outcomes. If not already in place, financing for programme implementation is secured and a programme budget, including training and support services, is developed and approved by the LIP management.  By the end of this phase, an assessment of LIP performance is conducted and baseline data recorded. | | |
| **PHASE 2 – IMPROVEMENT** | | **Time: up to 3 years** |
| During the Improvement Phase, the LIP uses the results of the assessment (or gap analysis) to develop a timebound corrective action plan with the CSO partner in order to address key/core issues. Progress is measured annually against the recorded baseline.  When at least 2 years of data are recorded, results are verified in-field by a third party. The third party can be a CSO as long as it is different from CSO partner.  **Questions on phase 2**   1. **Is 2 years (or seasons) of data sufficient to demonstrate improvement? If not, what would be a sufficient time to demonstrate improvement?** 2. **Third party qualifications – For LIP verification, what are minimum required qualifications of the verifier?** 3. **Verification – Would a desktop verification be considered sufficient or must it be carried out at field level? Please justify** | | |
| PHASE 3 - ENDORSEMENT | | Time: up to 3 months |
| To be Endorsed, the programme demonstrates improvement across aligned Bonsucro core indicators and key local indicators (according to KPIs). Bonsucro reviews the results of the verification assessment and validates the LIP. Endorsement is approved by Bonsucro Secretariat  **Question on Phase 3**   1. **Publication of results – To be transparent, we suggest that a summary of the verification report is published online – contents to include general information on the LIP (programme description and objectives), programme scope (participants, area of coverage etc.) and reported KPIs. Note that approval by LIP is required prior to publication.**     1. **Should a summary report be published or is an announcement on Endorsement sufficient? Please justify**    2. **If a summary report is required, are the listed contents acceptable? Should content include any additional information? Please detail.** | | |

**PART II – Evaluation Criteria**

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| ELIGIBILITY CRITERIA |
| **All LIPs meet the below requirements to participate in the Endorsement Programme:**  To be eligible for Endorsement, improvement programmes need to be committed to taking a defined group of producers through a deliberate process of continuous improvement to address specific sustainability issues (as defined by Bonsucro indicators and local KPIs). |
| Deliverables –   * Alignment – A programme description and budget Draft budget - Estimates of annual cost, including cost of support services for training, capacity building, roll-out etc * Information on CSO partner credentials as a non-profit legal entity where the LIP is implemented and one that operates independently from the LIP partners. * MOU – drafted with Bonsucro, the MOU must be signed before progressing to Phase 1. |
| Note on Membership requirements: Where a LIP involves multiple organisations, one organisation can be designated as principle or lead organisation and therefore required to meet the eligibility criteria. This organisation must be a legal entity and have permission from other LIP partners to act as the representative for the LIP with decision making authority. There should be a formal agreement between the parties.  **Question on LIP Governance**   1. **Should we require a MOU or partnership agreement between LIP partners or leave it to the LIP?** |

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| **EVALUATION FRAMEWORK** | |
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| PHASE 1 - DESIGN | |
|  | **Evaluation Criteria** |
| Governance - | Internal structures and processes are set up to manage the programme with a designated ‘LIP management team’ in place to set long-term programme goals, review and report on progress, allocate resources and make strategic decisions to maximise impact and efficiency of programme.  Development of the LIP management team should include consideration of the following:   * Structure – diverse team that is representative of programme participants with required skills and expertise – with at least one seat designated for CSO partner; roles & responsibilities of team for all management and LIP staff; * Meetings – type and frequency of meetings; summary reports; * General management - decision making process and involvement of key stakeholders, consultation on local critically criteria/indicators; grievance/complaints mechanism and dispute resolution; * Financial management – allocation of resources to activities and tasks; tracking expenditure according to budget; |
| Governance of LIP exists within legal framework and must ensure compliance with national laws in country of operation, including observation of legal rights accorded to indigenous communities. |
| **Programme Management**  Programme specific system in place to set and meet objectives, incl. M&E system | * *Short term objectives* - performance objectives are identified and based on locally relevant criteria and core Bonsucro indicators (where aligned); * *Performance targets* – defined by scope (number of mills and/or farmers); and criteria for compliance; * *Action plan* – time bound plans developed to meet objectives, prioritizing critical issues; * *Monitoring and evaluation* – system to track progress against programme objectives and associated critical indicators/identified core indicators/high risk issues (such as minimum age, working conditions (absence of forced labour/discrimination; use of PPE; access to water/sanitation facilities etc.)) |
| Baseline - Information gathering/risk assessment required to set objectives and effectiveness of programme. Key areas of evaluation will depend on the scope and objective of the LIP and may include:   * Legal compliance with national laws, including (where applicable) land/water rights, HCV areas, * Worker profile – register of workers, including verified age and contract with job title and wage rate; hours worked, * Environmental status/compliance - biodiversity, ecosystem services, soil, water, air, climate change, use of crop protection chemicals, use of artificial fertilisers, cane burning and noise. |
| **Transparency &**  **reporting** | * System of data gathering and method of recording is in place * Internal monitoring system is developed with verification by CSO partner; results from at least one assessment recorded on Bonsucro Connect |
| Self-assessment is conducted by the end of Phase 1 with data used as baseline measurement. |
| **Financing & Support services** | * Staff resources are allocated to LIP * Internal Training requirements identified – staff, second party auditors/assurance providers, development of materials * External training/capacity building requirements – farmer training, extension services … |
| Financing secured by end of Phase 1; budget based on needs assessment for resource inputs and capacity training/support services. |
| To progress to Phase 2 (Improvement), all 4 key elements of programme design are in place and validated by Bonsucro via desktop assessment: | |
| PHASE 2 – IMPROVEMENT PHASE | |
|  | Criteria |
| **Governance** | * LIP is embedded within a functional governance structure and has both credible management systems and reporting mechanisms behind it. * LIP management team conducts effective and timely reviews of producer performance/programme progress against KPIs * System includes evaluation of non-performing programme participants |
| LIP management team meeting minutes and progress updates are available to Bonsucro. |
| **Management System** | * Action plan on critical indicators and core Bonsucro indicators (where aligned) are developed with support from CSO to achieve objectives * Internal verification systems in place with a credible and robust sampling methodology. |
| To progress to endorsement, there must be demonstrated improvement across all aligned Bonsucro relevant core indicators and internal KPIs.  Note: It is possible to envisage that LIP progresses operators toward Bonsucro certification. If certification is part of the LIP, the certification process shall be in line with the requirements of the Bonsucro Certification Protocol. |
| **Transparency & Reporting** | * Reports on progress are submitted to Bonsucro on an annual basis, with data requirements to consist of (at minimum) basic performance data * Data is verified by appointed verifier in order to assure credible reporting – either a second party CSO verifier (different from CSO partner) or independent third party * Progress is reviewed by LIP management team and includes an evaluation of improvement on critical issues, action plan is developed accordingly. |
| Basic performance data – SEE ENDORSEMENT – ANNUAL REPORTING |
| **Financing & support** | * Resources and support services are provided in area of implementation to improve performance – roll-out plan is in place and fully resourced, with content to support improvement in core areas * Tracking of expenditure – trainings, resources – and evaluation of impact |
| Records of trainings -% producers involved in targeted training. |
| **Question on demonstrated improvement**   1. **To progress from Phase 2 Improvement Phase to Phase 3 Endorsement, what would be the minimum set of indicators that would be assessed (1 choice):**    1. **Core Bonsucro indicators addressed by the LIPs**    2. **Own LIP internal KPIs**    3. **Both** 2. **What would be an acceptable sampling methodology (1 choice)?**     1. **100% participation,**    2. **square root of participants,**    3. **square root of participants x risk factor (to be created),**    4. **Bonsucro sampling methodology (based on volume produced)** | |
| PHASE 3 - ENDORSEMENT | |
| LIPs are either ‘Endorsed’, or not. Announcement of endorsement is made on Bonsucro website and status remains valid for 3 years and requires annual submission.   * Results of the verification by a third party on improvements/LIP targets & KPIs (other CSO (or independent third party) * Review and sign-off by Bonsucro Technical Advisory Board (TAB) – consisting of external members | |

**Part III – Reporting**

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| **Timeline** | |
| To achieve ‘Endorsed’ Programme status, LIPs need to move forward from Phase 1 (1 year max) through completion of Phase 2 (3 years max) within a maximum period of 4 years total. If the LIP is unable to complete either Phase within the allocated timeframe, participation in the Endorsement programme will cease and any status/claims made in reference to endorsement will be revoked.  LIPs can reapply after 1 year. | |
| Reporting Requirements for Endorsed LIPs | |
| Endorsed LIPs will be asked to report annually on performance improvement against a limited set of indicators, insofar as they are relevant to their programme. | |
| **Programme Scope -Updates** | * Number of mills & growers engaged in LIP * Area of impact (ha), volume of production (T of cane, T of sugar, m3 ethanol if relevant) * Number of workers affected (workers per farm, per mill, worker profile) |
| **Performance Data** | Internal KPIs and aligned core Bonsucro indicators  See separate doc on Annual reporting |
| **Progress update** | * General analysis of programme progress – key successes and areas needing improvement * Adjustments to targets/timelines validated by LIP governance body * Engagement with CSO partner, key stakeholders (including records of dispute/grievance) |
| Reporting Method | * Preferred method of reporting is Bonsucro ~~Connect~~   *\* option to report via another data collection system (eg. Donor templates) as long as 6 performance data indicators are included.* |

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| **Endorsement fees** |  |
| Once we better understand how value is created for the three customer groups, we may consider implementing a license fee to cover development and management costs. | |

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| Endorsement Claims | |
| The entire Endorsement Process can take up to 4 years, depending on the state of the LIP on entering the programme and the time required to implement/measure improvements. Claims can be made by LIPs while engaged in this process (to be approved by Bonsucro) but use of the Bonsucro logo is only available to ‘Endorsed’ LIPs. | |
| **Phase 1 & Phase 2 claims:**  LIPs are working towards Endorsement | *[Name of LIP] is currently enrolled in Bonsucro’s Endorsement Programme*  Use of Bonsucro logo is **not** permitted. |
| **Endorsement claims:**  LIPs that have completed Phase 2 are ‘Endorsed’ by Bonsucro. | *[Name of LIP] is endorsed as a credible Improvement Programme by Bonsucro. [Name of LIP] is designed to deliver [social, environmental, technical] continuous improvement in sugarcane production [and/or processing] at [mill or farm level, project scope].*  *[Name of LIP] uses [name of Benchmarked Scheme OR Bonsucro standard/calculator] to deliver continuous improvement in sugarcane production.*   * Use of an ‘Endorsed by Bonsucro’ logo permitted (logo to be developed, with use on approval by Bonsucro). |

Annex

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| **Aims of the programme/what are we trying to achieve?** |
| Endorsement aims to increase the area of land under better/improved cultivation by contributing to the success of Local Improvement Programmes (LIPs) by:   1. Informing LIPs about requirements that enhance global credibility and the needs of stakeholders that have an international scope, 2. Facilitating learning between LIPs on the global Bonsucro platform, 3. Showcasing LIPs to the relevant stakeholder community, thereby 4. Providing both producers and financers with the confidence that LIPs contribute to achieving globally credible and locally relevant sustainability goals, thus 5. Driving the expansion of the scope and / or impact of LIPs by attracting the right partners and resources.   We will endeavour to monitor these impacts through an annual survey. |
| **What is value/benefit of endorsement?** |
| **Enablers**   * Global recognition of their LIP makes their programme relevant to more parties, and will make it easier to attract resources to support the LIP * A learning space to connect, share & learn from other LIPs - as well as an engaged community of enablers, producers and buyers * Support partners/Clients and deliver transparent improvement across key issues   **Producers**   * Improved ability to demonstrate continuous improvement to key partners * Clarity on potential support options for continuous improvement   **Buyers**   * Improved insight into their supply chain by providing transparency on where credible continuous improvement efforts are taking place through the implementation of an endorsed LIP * Access to credible/recognised pathways to support LIPs in their supply chain |