

A community of change

Bonsucro's response to Business & Human Resource Centre's request for comment, 30 June 2016



This statement is issued at the request of Business and Human Rights Resource Centre, in response to an article written by David Pred of Inclusive Development International and Eang Vuthy of Equitable Cambodia, on Wednesday, 22 June 2016.

We recognise this article as part of an ongoing campaign to bring attention to the human impact of the economic land concession process in Cambodia, a process created to attract inward investment in agriculture and industry into one of the least developed countries. Whilst recognising the spirit in which the article is written and empathising with the cause, the article raises a number of issues relating directly to the reputation and credibility of Bonsucro, including the readmission of Mitr Phol into membership; the credibility of our third party certification process; the decision of an independent awards panel to recognise Mitr Phol's work with sugarcane farmers in Thailand; and the role we could and should play in supporting change in Cambodia. We recognise Business & Human Rights Resource Centre's attempt to present a balanced case and this response is written in the spirit of presenting the facts as objectively as possible.

About Bonsucro – the global sugarcane platform

Bonsucro is a not-for-profit change platform established by the global sugarcane sector, including farmers, manufacturers, traders, buyers and civil society. Our membership community recognises both the significant opportunity for investment in agriculture to create lasting value for the people, businesses, communities, economies and ecosystems of cane-growing origins, as well as the significant risks that the industry can inadvertently or even deliberately cause harm. The Bonsucro Production Standard is the only sustainability standard for sugarcane created with the open and transparent collaboration of the industry, civil society and concerned stakeholders and in accordance with the Code of Good Practice for Setting Social and Environmental Standards produced by ISEAL. Our Production Standard is a comprehensive and objective performance framework used by the industry to measure the positive value created (environmental, social and economic), to demonstrate legal compliance, and to identify, manage and mitigate all risks of social and environmental harm.

Our Membership – Bonsucro has more than 450 members in 38 countries

Bonsucro Members operate under a principle of continuous improvement, with our farmer and mill members using the Standard to measure and manage their impacts. We require Members to commit to our Code of Conduct, which reinforces the commitment to continuous improvement, including identifying issues and responding proactively when challenged. We do not expect Members to be perfect before they join and recognise that complex issues could exist that require dialogue and time to resolve. We also recognise that many Members will focus first on their area of direct ownership before addressing areas out of their direct control. In order to support change both within and outside direct control we provide a collaborative, trusted space for issues to be discussed and appropriate resolution to be proposed. Provided an organisation remains committed to transparency with us and to

Development requires different actors to serve different roles (continued)

addressing issues in their operations and supply chains then we welcome them as a valued member of our change community. The fact that Mitr Phol was accepted into membership (through exactly the same process as every other Member) and remains a Member is because they are committed to continuous improvement and are working in complete transparency with us.

Bonsucro Certification is independent and credible

Bonsucro manages a credible third party certification protocol that allows production units owned by our industrial Members together with land directly controlled, and also suppliers that are ready to demonstrate compliance, to have their performance against the Production Standard independently validated. We also provide a facility for supply farms to be assessed independently of the mill. For an entity to be certified it must demonstrate, to a trained and qualified team of independent auditors, full legal compliance as well as that they meet minimum thresholds against all our core criteria (the main sustainability risks) and 80% of all our criteria. Operating to the highest principles of credibility, we at the Bonsucro secretariat have no say in who can apply for certification, nor can we influence or reject a decision of a qualified third party assessment body to award a certificate. We also operate a complaints resolution process that allows the decision of a certification body to be challenged on objective grounds by any stakeholders within or outside membership. Any mill that is certified to the Bonsucro Production Standard has therefore passed intensive third party assessment that has not been objectively challenged. This gives complete confidence to buyers and customers that the certified products they buy support credible, sustainable production practices.

Our prestigious Global Awards

Every year we facilitate a “Global Awards” process for our Members, to encourage success to be recognised and celebrated. This is a great opportunity for members of our community and the wider sugarcane sector to be inspired by their peers. Nominations are made and an independent panel evaluates the nominations against set criteria to identify winners. As with the certification process the Bonsucro secretariat manages the process but does not interfere with the result. One of the four Global Awards presented last year was for mills supporting continuous improvement. Mitr Phol’s Modern Farm programme, supporting independent farmers in Thailand to improve their productivity and sustainability, was chosen by the panel as the most inspiring case study put forward in last year’s process, and as such they won this award.

On land rights and Cambodia

Investment in agricultural industry has significant potential to support sustainable development in least developed countries. There are also significant risks attached to it, including that rights and dignities are not respected, particularly through land concession granting processes where local governance systems are not fully mature. There are certainly lessons that can and must be learnt from the land concession processes that occurred in Cambodia. Identifying lessons is part of the programmatic work that we perform with and for the industry.

We recognise that the article published by Inclusive Development International and Equitable Cambodia is written in the spirit of a campaign that has been underway since 2011 to bring pressure on the Cambodian Government and Western investors to ensure that international investment, vital to supporting socio-economic growth in Cambodia, does not ignore the plight of those most vulnerable or damage sensitive eco-systems. This campaign has been largely successful, resulting in a 95% drop in Cambodian exports of sugar to the EU since 2011 and in a number of the land concession owners implementing their own complaints

Development requires different actors to serve different roles (continued)

resolution processes to supplement the original concession process where it was claimed this was not conducted properly. The campaign can also claim some responsibility for Mitr Phol's decision to cease all operations in Cambodia. In exiting Cambodia and handing back the land to the Government of Cambodia, rather than selling the economic concession as a going concern to a new owner, Mitr Phol specifically requested that the Government of Cambodia would ensure the land was returned to the original owners. Mitr Phol has also commissioned an independent report to try to understand the process undertaken in the original land concession process and is exploring opportunities to support a positive legacy for the community affected. Whilst Inclusive Development International and Equitable Cambodia may feel aggrieved that Mitr Phol has acted unilaterally, and is looking for a local development agency to work with rather than "negotiating a settlement", and whilst the situation for the communities concerned cannot be claimed to be fully resolved, it would be hard to argue that Mitr Phol is not living up to our Code of Conduct; addressing issues in their operations and supply chain, embracing a process of continuous improvement, and maintaining open and transparent dialogue with us.

Concluding remarks

Development requires different actors to serve different roles. Bonsucro is a change platform, not a vehicle to promote activism. Whilst we recognise the important role activism can play for those who are not committed to change, our role is to work with those in the industry that do want to support change and those members of civil society who are prepared to build trusting relations within a community of change. Together we will build resilient, sustainable sugarcane industries, communities and supply-chains through responsible investment. We hope that the Cambodian sugarcane industry has turned a corner, and that we can work with it to ensure positive outcomes for the people and communities (including the most marginalised) as well as the economy of this rapidly developing nation.

Bonsucro, 30 June 2016