**DRAFT TERMS OF REFERENCE**

**CONSULTANCY SERVICES FOR A STUDY ON THE REFORM**

**OF THE CARICOM SUGAR REGIME AND SUGAR INDUSTRY**

**STAKEHOLDERS’ CONSULTATION - REGIONAL**

1. **BACKGROUND**

1.01 The Council for Trade and Economic Development (COTED) of CARICOM (46th Meeting) considered a proposal from the Government of Belize - with the support of the other sugar producing members of CARICOM, Jamaica, Guyana and Barbados - for the reform of the CARICOM regime for trade in sugar. The COTED was updated on key activities being undertaken by sugar producers of CARICOM, under the auspices of the Sugar Association of the Caribbean (SAC) to garner support for the implementation of measures to safeguard the sugar industry in the Caribbean.

1.02 COTED mandated the CARICOM Secretariat to commission independent technical research on the inter-changeability of Plantation White (PW) and refined white sugars for the purposes of industrial-scale food and beverage production and to convene the 7th Meeting of CARICOM Stakeholders on Sugar to discuss the findings of the study and related matters. COTED further mandated that the recommendations emerging from both activities be submitted for the consideration of the Forty-Seventh Meeting of the COTED scheduled for November 2018.

1.03 The proposed study will build on the findings and recommendations emanating from the Inter-American Development Bank financed Economic Impact Assessment in November 2017 on changing the Common External Tariff so that it applied on all imports of sugar into CARICOM; and Potential for a Regional Sugar Market in CARICOM – April 2017.

**2.** **OBJECTIVE**

2.01 The objective of this consultancy is to provide Stakeholders in the Caribbean with an assessment of the substitutability of PW for refined sugar in regional manufacturing of beverages and sugar-containing products.

**3.** **SCOPE OF SERVICE**

3.01 The consultant will be required to use a combination of investigative and consultative processes to realise the objective stated above, including, but not limited to the following:

1. estimate the volume of PW sugar used in industrial food and beverage production in five international markets with large domestic sugar industries (Brazil, Colombia, Guatemala, India and Mexico);
2. for each of the five comparator markets, identify the top five purchasers of PW sugar for industrial food and beverage production;
3. compile details of the classification/terminology used in each of the five markets for PW sugar with specific reference to chemical and technical qualities of sugar including:

**TABLE 1: CLASSIFICATION/TERMINOLOGY**

|  |  |  |
| --- | --- | --- |
| Maximum Colour | X IU7.0 | determined by ICUMSA[[1]](#footnote-1)/ Method GS9/1/2/3-8 (2011) |
| Polarisation | X °Z | determined by ICUMSA Method GS1/2/3/9-1 (2011) |
| Ash Content | X % | determined by ICUMSA Method GS2/3/9-17 (2011) |
| Moisture | X % | determined by ICUMSA Method GS/2/1/3/9-15 (2007) |
| Insoluble Matter | X mg/kg | determined by ICUMSA Method GS/2/3/9-19 (2007) |
| Particle Size | MA (expressed in mm) and CV. Any minimum or maximum specified. | determined by ICUMSA Method GS/2/9-37 (2007) |
| Reflectance Colour |  | determined by ICUMSA Method GS/2-13(2017) |

1. confirm the conformity of different country specifications for PW sugar with definition of PW as indicated in the Food and Agriculture Organisation (FAO) Codex Alimentarius, with particular reference to the following characteristics:
2. Sulphur dioxide;
3. Sulphated ash (% m/m);
4. Conductivity ash (% m/m);
5. Invert sugar content (% m/m);
6. Sucrose plus invert sugar content;
7. (% m/m expressed as sucrose);
8. Loss on drying (% m/m);
9. Starch content (% m/m); and
10. pH (for 10% m/m).
11. analyse the key technical differences between the PW sugar produced in the Caribbean within the context of specifications cited in the FAO Codex Alimentarius and those requested by regional industrial users;
12. based on the above, advise the extent to which the use of Caribbean PW could negatively impact industrial uses (by category) and including through the use of examples with other countries/regions make recommendations on how these issues can be mitigated, including cost implications; and
13. develop at least three case-studies outlining the approach adopted by major international brands for the use of PW in their production processes in the five comparator markets. In the preparation of the case-studies, the consultant should interview relevant senior technical staff at the companies. The case-studies should include, but not be limited to details on:

(i) period of time over which plantation white sugar has been used by the respective industry;

1. the specification of the PW sugar used by the company;
2. the types of products produced using PW;
3. the percentage of the company’s products produced using PW;
4. any extra equipment or other investment required to enable the use of PW;
5. any negative impacts of use of PW on the production processes which are unmitigated;
6. if they operate a dual-sourcing policy with purchasing of both refined white and PW; and
7. whether or not the domestic producers, operating a franchise or license operation, required a waiver from the parent company/international brand, to allow them to make use of PW sugar in their production.

**4.** **REPORTING REQUIREMENTS**

4.01 The Consultants shall provide the following documents and reports to the CARICOM Secretariat:

1. Draft Report within one month of commencement of the assignment. CDB and the CARICOM Secretariat will provide comments on the Draft Report within one week of receipt.
2. Final Report within one week of receiving comments from CDB and the CARICOM Secretariat.

4.02 The Consultant will also present his/her findings/recommendations to a meeting of CARICOM Stakeholders on Sugar to be convened during the first quarter of 2019.

**5.** **IMPLEMENTATION ARRANGEMENTS**

5.01 The CARICOM Secretariat, oversee implementation of the Project.

**6.** **QUALIFICATIONS AND EXPERIENCE**

6.01 The Consultant should have an in-depth knowledge of the global sugar industry, including at least ten years’ specific work experience and five years’ general consulting experience, both at a senior level, in any of the following:

1. sugar processing,
2. quality assurance for sugar,
3. procurement of sugar for industrial manufacturing,
4. marketing and trade in sugar

The consultant should also be fully familiar with the CODEX Alimentarius Standards for sugar.

Qualifications, at least at the master’s degree level, in food technology or a related discipline, would be a distinct asset.

**7. BUDGET**

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| --- | --- |
| **Item** | **Total** |
| **Professional Fees** |  |
| Study – (17 person-days) | 17,000 |
| Presentation – Stakeholders’ Consultation  (3 person-days) | 3,000 |
| **Sub-Total** | **20,000** |
| **Reimbursable Expenses** |  |
| Travel – (One international airfare) | 2,000 |
| Accommodation and Per Diem (3 days) | 945 |
| **Sub-Total** | **2,945** |
| **TOTAL** | **22,945** |

1. / International Commission for Uniform Methods of Sugar Analysis. [↑](#footnote-ref-1)