

Terms of Reference

Stichting IDH

7 October 2024

Consultancy for Latin America Climate Resilient Coffee Facility

1. Introduction

Stichting IDH (“IDH”) accelerates and up-scales sustainable trade by building impact-oriented coalitions of front-running companies, civil society, governments, knowledge institutions and other stakeholders in several commodity sectors. We convene the interests, strengths and knowledge of public and private partners in sustainability commodity programs that aim to mainstream international and domestic commodity markets. We jointly formulate strategic intervention plans with public and private partners, and we co-invest with partners in activities that generate public goods.

To address the mismatch between demand and supply of capital for transforming Agri value chains to become more inclusive, sustainable and climate resilient, IDH established IDH Invest, housing Investment Development and Investment Management. Investment Development targets to increase the pool of investable agribusinesses and the development of impactful investment projects, through the management of Technical Assistance Facilities and through Investment Development Hubs. IDH Investment Management manages impact funds to address investment needs that are not or insufficiently covered in the market, with the objective of mobilizing co-investment from (semi-) commercial investors.

On the basis of these Terms of Reference (“ToR”), IDH aims to select a Consultant to help design, structure, and fund-raise for a Latin American Climate Resilient Coffee Facility, starting from the assessment of farmer needs for climate proofing their farms.

Background

Companies across the coffee supply chain have made public commitments to achieve 50% decarbonisation targets by 2030 and Net-Zero Emissions by 2050, as well as drastically reduce their water withdrawals. The journey to becoming resource-positive is fraught with many challenges – on the demand side, the smallholders often lack awareness, know-how, and financial resources to uptake the critical interventions to climate-proof their farms. On the supply side, farmer financing remains scarce – too risky for financial institutions, and not the core business of coffee traders or brands.

IDH Invest proposes to address this gap by developing and co-financing the Latin America Coffee Resilience Facility (LATTE) to advance climate-smart financing for smallholders while supporting the climate agendas of the coffee sector players. LATTE’s objective is to align farmer financing with the climate commitments of the coffee sector players, placing an emphasis on carbon, water and biodiversity. The facility is being designed as a “white label” credit product, provided by a flexible Financial Services Provider that can be adopted and uptaken by any coffee trader/brand/intermediary.

The first pilot is envisioned to take place in Colombia, where IDH Invest has recently launched the reVive Investment Development Hub, and where IDH has a 7+ year track record of convening landscape initiatives and striving to improve the incomes of smallholder farmers. IDH’s footprint in



Colombia gives it unparalleled access to develop and launch such a product with identified local Agri Fintech(s), coffee smallholders and our sector stakeholders in Colombia.

IDH is looking for an experienced Consultant to support in developing the structure for LATTE, starting from the assessment of farmer needs for climate proofing their farms. Subject to results and outcomes of this assignment and internal considerations, IDH will potentially procure a follow-up assignment(s) as outlined in Annex 2. Subject to results and outcomes of this assignment and internal considerations, IDH will potentially procure a follow-up assignment(s) with preliminary structure outlined in Annex 2.

2. Assignment

Objectives

The overall objective of this assignment is to design, structure and co-fundraise for LATTE, starting with the following deliverables:

A. Coffee Companies / Traders

- a) Identify and select 3-5 most relevant private players in the coffee sector for partnership. The aim is to have a representative mix of Colombian and international companies, outline rationale and criteria.
- b) Outline companies' climate and nature agendas, targets and approaches to meeting them.
- c) Identify and review current financial and technical support provided by selected companies to their farmers for climate-proofing their farms, with a focus on Colombia.

B. Farmers

- a) In collaboration with IDH, define climate resilience (adaptation + mitigation) and the implications it has for future coffee lending in the region. Provide an overview of climate resilience needs faced by smallholders of key partners for the facility (as per A).
- b) Review existing farmer financing and identify how LATTE can be additional in availing farmer finance for identified climate resilience needs.
- c) Assess farmers' willingness, appetite and capacity to uptake financial products for climate resilience with a focus on Colombia.
- d) Map out farmer profile(s) and type of borrower(s) envisaged for the facility.
- e) Propose a package of financeable and measurable interventions/credit product(s) that support climate resilience for farmers.
- f) Identify farmer-level incentives as well as TA needs that could support the uptake of financial products aimed at bolstering climate resilience.
- g) Identify pathways to how financial services player(s) can plug the gaps and service farmers with climate-resilience financing.

Deliverables

The deliverables of this assignment are due on December 15, 2024.

Desired Skillsets of Team/Consultant(s):

- Solid understanding of climate resilience (climate adaptation and mitigation)



- Strong agricultural finance experience, in creating credit products, financing farmers and working with finance sector players
- Climate and nature/agronomic background, understanding of technical assistance provision
- Project management skillset(s)
- Capability to engage with a wide range of stakeholders
- Preference of a team member(s) based in Colombia with networks and knowledge of the coffee sector

3. Selection Procedure

The procedure will be as follows:

1. Publishing the tender and/or inviting service providers to submit a proposal based on this ToR.
2. Evaluation of the proposals by the evaluation committee. The evaluation committee will evaluate the proposals based on the selection criteria as published in this ToR.
3. Decision on the selection of the service provider.
4. Inception meeting with the selected service provider.

The schedule below indicates the timelines for the tender procedure:

Tender process	Timeline
ToR published	October 7, 2024
Deadline for submission of proposals*	October 21, 2024
Selection of service provider	October 28, 2024
Start of assignment	November 4, 2024

* Proposals submitted after the deadline will be returned and will not be considered in the tender procedure.

After the deadline to submit a proposal has passed, the IDH evaluation committee will assess the proposals.

The proposals will first be tested for completeness:

- The absence of the documents referred to in Section 6 of this document can lead to exclusion from further participation in the tender procedure. This is also the case when the minimum requirements listed in this ToR are not met.
- If the proposal is complete, the selection committee will evaluate the proposal based on the criteria as set forth in Section 6.



The assignment will be awarded to the service provider with the most economically advantageous tender. This is determined based on the evaluation criteria price and quality (see Section 6).

IDH will reject the proposal if any illegal or corrupt practices have taken place in connection with the award or the tender procedure.

4. Proposal requirements

IDH is requesting the service providers to hand in a proposal of a maximum 9 pages (excluding company biographies, CVs, sample work and references). The proposal must be handed in an MS Word or PowerPoint version next to a PDF submission to facilitate any copy-and-pasting of content that we may need during evaluation.

The proposal must at least include:

Content:

- a. A succinct, well-documented approach addressing the requirements set out this ToR. We request that the proposal structure match the selection criteria as closely as possible
- b. Maximum of three client references and a sample of previous work relevant to the deliverables in this ToR,
- c. An overview of the project team, including the CVs of the project team member(s), highlighting required skillsets/experience in Section 3,
- d. Budget in daily/hourly rate for each consultant(s) and any relevant travel expenses (as per template in Annex 3),
- e. Statement on Ground for exclusion (see Section 6 below).

Administrative:

- f. Completed detail request form (Annex 4),
- g. Copy of most recent (audited) financial accounts, if applicable (for an organisation),
- h. Statement of acceptance draft contract (Annex 7).

The proposal must be submitted to Ari Nova Firnanda at firmanda@idhtrade.org and Evgenia Sokolova at sokolova@idhtrade.org before **21 October 2024, COB**.

5. Testing and weighing

The assignment will be awarded to the service provider with the most economically advantageous tender. The most economically advantageous tender is determined on the basis of the evaluation criteria of price and quality.



Grounds for exclusion

1. Service providers shall be excluded from participation in this tender procedure if:
 - a) they are bankrupt or being wound up, are having their affairs administered by the courts, have entered into an arrangement with creditors, have suspended business activities, are subject of proceedings concerning those matters, or are in any analogous situation arising from a similar procedure provided for in national legislation or regulations;
 - b) they or persons having powers of representation, decision-making or control over them have been convicted of an offence concerning their professional conduct by a judgment which has the force of res judicata;
 - c) they have been guilty of grave professional misconduct proven by any means which the IDH can justify;
 - d) they have not fulfilled obligations relating to the payment of social security contributions or the payment of taxes in accordance with the legal provisions of the country in which they are established, or with those of the Netherlands or those of the country where the contract is to be performed;
 - e) they or persons having powers of representation, decision making of control over them have been the subject of a judgment which has the force of res judicata for fraud, corruption, involvement in a criminal organization, money laundering or any other illegal activity.

Service providers must confirm in writing that they are not in one of the situations as listed above.

2. Service providers shall not make use of child labor or forced labor and/or practice discrimination and they shall respect the right to freedom of association and the right to organize and engage in collective bargaining, in accordance with the core conventions of the International Labor Organization (ILO).

Scoring and weighing

The evaluation criteria are compared and weighed according to the procedure below. This concerns a general outline of the scoring methodology and an explanation how the service provider can demonstrate compliance with the requirements.

Step 1 - Criterion Quality

Evaluation scores will be awarded for each of the components. The evaluation committee will score each component unanimously.

The proposal will be assessed based on the following selection criteria:

Component	Criteria	Max. Grading
-----------	----------	--------------



1	Proposal overall	The extent to which the proposal meets the requirements set out in Section 3 above and throughout this document. Can the Service provider deliver the required deliverables? Will the Service provider be able to deliver a comprehensive solution?	5
2	Design and Development process	The extent to which the Service provider demonstrates that a clear design and development process will be followed and IDH is adequately consulted for input during the design and development. The extent to which it is clear what is required of IDH in terms of human resources, digital assets and other input to deliver the project without being too onerous on our staff.	5
3	Track record	The extent to which the Service provider presents the required level of expertise and knowledge to fulfil the requirements both at team member and company level. The extent to which the Service provider gives a clear description of the project team, relevant (delivering similar projects) experience of team members and time allocation per team member. [Relevant experience in non-profit sector is advantageous.]	5

The evaluation committee will unanimously score each component by assigning scores from 1 to the maximum grading, with the maximum grading representing optimal performance on the component and 1 representing extremely poor performance on the respective component.

Step 2 - Criterion price

The Budget template (Annex 3) shall be followed by a service provider.

Please note that a combined price in Euros (including VAT and other applicable taxes) is to be presented. This is to be broken down by daily/hourly rate.

The criterion of assessment is “the best price for the proposed level of quality” with a maximum grading of 5.

Step 3 - Weighting

The final score will be weighted 75% on Quality and 25% on Price.

If scores of service providers are equal, priority will be based on the total scores that were given for the Criterion Quality. The assignment will be awarded to the service provider that has received the highest score for the Criterion Quality. If the evaluation of the Criterion Quality does not lead to a distinction, the score for the component “Proposal overall” will be decisive. If this does not lead to a distinction, the ranking will be determined by the drawing of lots.

Award



Once IDH has decided to which Service provider it intends to award the assignment, a written notification thereof is sent to all Service providers participating in the tender procedure.

The Service provider is contracted via a letter of assignment, following IDH's template (Annex 5).

Please note: the payment schedule set out in the letter of assignment template may be amended, subject to unilateral decision of IDH.

6. Communication and Confidentiality

The Service provider will ensure that all its contacts with IDH, with regards to the tender, during the tender procedure take place exclusively in writing by e-mail to Ari Nova Firnanda at firmanda@idhtrade.org and Evgenia Sokolova at sokolova@idhtrade.org. The Service provider is thus explicitly prohibited, to prevent discrimination of the other Service providers and to ensure the diligence of the procedure, to have any contact whatsoever regarding the tender with any other persons of IDH than the person stated in the first sentence of this paragraph.

The documents provided by or on behalf of IDH will be handled confidentiality. The Service provider will also impose a duty of confidentiality on any parties that it engages. Any breach of the duty of confidentiality by the Service provider or its engaged third parties will give IDH grounds for exclusion of the Service provider, without requiring any prior written or verbal warning.

All information, documents and other requested or provided data submitted by the Service providers will be handled with due care and confidentiality by IDH. The provided information will after evaluation by IDH be filed as confidential. The provided information will not be returned to the Service provider.

7. Disclaimer

IDH reserves the right to update, change, extend, postpone, withdraw, or suspend the ToR, this tender procedure, or any decision regarding the selection or contract award. IDH is not obliged in this tender procedure to make a contract award decision or to conclude a contract with a participant.

Participants in the tender procedure cannot claim compensation from IDH, any affiliated persons or entities, in any way, in case any of the afore-mentioned situations occur.

By handing in a proposal, participants accept all terms and reservations made in this ToR, and subsequent information and documentation in this tender procedure.

8. Annexes

Annex 1: [reVive Investment Development Hub Colombia website](#)

Annex 2: Potential follow-up assignment(s)

Annex 3: Budget template

Annex 5: Detail request form

Annex 5: Letter of Assignment

Annex 6: IDH General Terms and Conditions for Services

Annex 7: Statement of acceptance