Terms of reference (ToR) for the procurement of services

Assessment of Options for a Sustainability Reporting Framework for East Kutai to Promote the Sustainability Jurisdiction	**Project number/ cost center:** **18.0128.1-307.01**

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I. General information

1. Brief information on the project

The Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH is an international cooperation enterprise for sustainable development with worldwide operations on behalf of the German Government. We work to shape a future worth living in over 120 countries around the world.

Sustainability and Value Added in Agricultural Supply Chains in Indonesia (SASCI+) is a five-year project conducted on behalf of the German Federal Ministry for Economic Cooperation and Development (BMZ) as part of the "Special Initiative: Transformation of Agricultural and Food Systems". The program promotes the sustainability of selected agricultural supply chains in partner countries and is implemented by the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH.

The Sustainable Landscape Initiative in Kutai Timur (SUSTAIN Kutim) is a multi-actor initiative to strengthen the capacity of the East Kutai District Government, local communities, smallholders, workers, and plantation companies in transforming Kutai Timur to be a sustainable region in agriculture production, with specific focus on palm oil and natural rubber. By following the guidance from the East Kutai District Government, GIZ SASCI+, Tanah Air Lestari (TAL), and Proforest contribute to the implementation of the Sustainable Plantation Plan by:

1) strengthening foundational elements of sustainable regions,
2) strengthening the capacity of producers and local communities in HCV area management, and
3) supporting the independent smallholders for tenurial and operational legalities as well as sustainable production

2. Context

Kutai Timur District Government has strengthened its local institutions and facilitated stakeholder cooperation for sustainability transformation. Through the Declaration of Mutual agreement on 18 May 2022, with technical support from the Sustainable and Climate friendly Palm Oil Production and Procurement (SCPOPP), it organized a joint statement together with five palm oil business groups, two banks, seven smallholder cooperatives, and two civil society organizations to achieve 12 sustainability targets necessary for the sustainability transformation that are outlined in the Sustainable Plantation Plan 2021-2030.

Despite some encouraging developments, Kutai Timur still needs to address the following challenges:

- Institutional capacity to operationalize the joint commitments for collaborative actions to steer and implement the mutually agreed Sustainable Plantation Plan 2021-2030.
- Management of unfragmented district-wide HCV areas.
- Institutionalisation of sustainable principles that are still missing in the existing local laws and regulations (e.g., FPIC, zero burning, peat and wetland conservation)
- Lack of support and incentives for smallholders either from government or supply chain actors for sustainability transformation, particularly for legality (land title, farm registration), organizational development, and advisory service.

Crucially, East Kutai also needs to define a sustainability reporting framework that can be used as monitoring and evaluation tool to record and report on the achievements of the vision, strategy, sustainability goals and objectives reflected in a set of key performance indicators (KPIs) as stated in the development planning document.

Over the past years, several jurisdictional sustainability reporting frameworks and models have been developed by non-governmental and private organizations that could be used at a specific landscape level. However, given the specific characteristics of East Kutai and the Sustainable Plantation Plan 2021-2030, it is not clear which ones of the existing reporting frameworks are suited and/or would need adaptation.

Therefore, GIZ SASCI+ supported SUSTAIN Kutim will conduct a study that aiming to identify the most useful jurisdictional sustainability reporting framework to be adopted by the district government and the multi-stakeholder platform in East Kutai.

3. **GIZ shall hire the contractor for the anticipated contract term, from Feb. 26th 2024 to May 30th 2024**

4. **Key tasks to be performed by contractor:**

- Assess the needs of and the added value for different stakeholders in using / contributing to a sustainability reporting framework (henceforth in short framework) (what do the stakeholders need from and how would they use such a framework?)
- Describe briefly the main characteristics, features and requirements of the preselected as well as additionally chosen frameworks.
- Assess and compare the value proposition of the different frameworks (what is the potential benefit for different stakeholders for using such a framework? How do frameworks compare?)
- Assess and compare the requirements of the stakeholders against the different frameworks (what is the effort required to fulfill the requirements?)
- Identify implementation and data gaps in East Kutai for the proposed frameworks.
- Propose two potential frameworks with the highest suitability for the stakeholders in East Kutai and facilitate a stakeholder process to decide which one to select.
- Propose a way forward for using the most suitable framework (what needs to be done for implementation/ what modifications and/or changes need to be introduced)

5. **The contractor shall provide the following work/service:**

a) Design the overall methodology for the assignment:
The methodology will describe the overall process of assessment, including formulating the working timeline and structured analysis for collected data, list of key stakeholders for interview and discussion round, outlining set of key questions for the different stakeholder groups.

The final methodology shall be agreed upon by GIZ SASCI+.

b) Description of the available Frameworks to be considered:
The assignment will describe the proposed frameworks at the jurisdiction level with detailed requirements and standards (if any). The selection of frameworks shall not be limited to plantation level and/or economic, social, and environmental issues, but

consider and connect to other relevant economic sectors as well (forestry, agriculture, mining, fisheries, etc.).

Based on a discussion with GIZ SASCI+ and the latest information from East Kutai, the consultant shall consider up to 8 frameworks for comparison. The already identified frameworks are JA RSPO, Sustainable Jurisdiction Indicator (SJI), Landscale, Source-Up and Kerangka Daya Saing Daerah - KDSD. Up to three others shall be proposed by the consultant in the methodology design.

c) Identifying the key requirements/ 'business case': the stakeholders might have divergent needs, expectations, and requirements for a framework: it is necessary to identify the key - non-negotiable- ones which are important to all.

d) Defining the assessment criteria:
The consultant shall define a set of criteria to assess the available frameworks. The set shall include but is not limited to the following:
1) Fulfilment of key requirements: how does the framework address the non-negotiable requirements agreed by stakeholders; some of these requirements might be covered by and coincide with the listed criteria below (2-5).
2) Level of acceptance and ownership/ 'buy-in': what do the different stakeholders involved think about the selected frameworks; they might have divergent positions, perceptions and opinions; they also might have strong preferences for/against specific frameworks. Buy-in from all stakeholders is crucial as they will be main source of data provision and implementers for the necessary follow up measures and actions.
3) Data availability: for the 12 key performance indicators of the Sustainable Plantation Plan 2021-2030– including time series data produced, sources of data needed, and easiness/ difficulty of data collection.
4) Usefulness and value: the benefits for stakeholders by participating in and applying the framework in their business practices, policy discussions, and decisions.
5) Cost-effort/ benefit: resources needed and available versus value obtained.

The set of criteria developed shall form the source for developing key questions of the structured interviews with key stakeholders in the region.

e) Data Collection and Analysis
The initial outputs from the desk study will inform the data and information collection process with the stakeholders in the region.

The consultant shall undertake a field visit to East Kutim to collect this data based on the methodology, with a focus on interviewing key stakeholders individually and/or in group discussions.

Data collection and analysis includes the following, but is not limited to:
1) identifying the key requirements/ 'business case' from the East Kutai Government and stakeholders as mentioned in point 3.2 c) above.
2) obtaining rationale and arguments to introduce a framework.
3) assessing the current sustainable plantation development plan, including the key indicators, against the proposed frameworks
4) identifying the challenges and issues arising in the set-up phase and subsequent implementation of frameworks.

5) obtaining insights and arguments for a strategy to involve the private sector in the implementation of a framework.

f) Presentation and Reporting

The consultant shall present first at an initial meeting the background and methodology of the assignment, present the selected frameworks and chosen assessment criteria. Crucially, the meeting should also allow for discussions to identify the key requirements/ 'business case' for a framework from the stakeholders.

After having carried out the subsequent field study and analysis/ assessment process, a further stakeholder meeting should be held to present and propose two potential frameworks with the highest suitability for the stakeholders in East Kutai and facilitate a discussion process to decide which one to select.

Subsequently, the consultant shall write a comprehensive report with analysis based on desk study, the data collected and issues arising from the field study.

The report will be written in Bahasa, with an Executive Summary in English

Period of assignment: from Feb. 26th 2024 to May, 30th 2024. Certain milestones, as laid out in the table below, are to be achieved during the contract term:

Milestones/partial works	Deadline	Criteria for acceptance
Methodology proposal with detailed timeline and workplan	Mar 6th, 2024	Methodology proposal is approved by GIZ
Desk Study containing the Key requirements/ 'business case' for a Framework, the Definition of the Assessment Criteria and Description of the selected Framework options, including first stakeholder meeting	Mar. 20th, 2024	Initial desk study result is available and discussed with GIZ; assessment criteria and key requirements/ 'business case' agreed with stakeholders
Data collecting and analysis, selection and decision on preferred Framework (obtained at second stakeholder meeting)	Apr. 26th, 2024	Proposed framework endorsed/ chosen by stakeholders
Draft Report Final Report	May. 14th 2024 May 30th 2024	Final report approved by GIZ

6. Deliverables

The consultant shall produce a comprehensive report and presentation material with detail analytical argumentation consisting of following outline but not limited to:

a) Background study and methodology
b) Needs analysis and assessment of value / business case of using a sustainability reporting framework for the East Kutai Government and stakeholders to the performance assessment of the Sustainable Plantation Plan 2021-2030.
c) The current situation on the development of a sustainable approach in East Kutai, compared with all sustainable requirements of proposed framework by stakeholders, including gap analysis.
d) Challenges and issues arise in the preparation phase and the implementation of proposed sustainability frameworks.

e) Strategy on involving the private sector in the implementation of proposed sustainability frameworks.
f) Data table represent the sustainability framework with the status of East Kutai against their requirements.
g) Recommendation for further steps on implementation of sustainability frameworks (as closing part)

II. Tender requirements

This assignment needs an organization with minimum of five-year experience on the development of sustainability initiatives in agriculture, forestry, and plantation sectors, multi stakeholder cooperation and approach, including the sustainability indicators for jurisdiction level analysis. The organization is required to nominate a team and provide personnel who are suited to fulfil the assignment tasks described, on the basis of their CVs (see Chapter 7), the range of tasks involved and the required qualifications.

The below specified qualifications represent the requirements to reach the maximum number of points in the technical assessment.

Even if no technical assessment is envisaged, the qualifications section must be filled in. ***Please bear in mind that the required number of years of professional experience must match the selected fee level in line with the cost estimate.***

1. Qualifications of proposed staff

1.1. Expert 1: Team Leader – Senior analyst (1 person)

1.1.1. General qualifications

Education:	minimum holds a master's degree in forestry, agriculture, natural resource, social and economy, and relevant studies.
Professional experience:	10 years of professional experience in the development of sustainability schemes in agriculture, forestry, and plantation sectors, such as RSPO P&C, mainly for the Jurisdiction Certification process, the Sustainability Jurisdiction Indicator (IYB – Indikator Yurisdiksi Berkelanjutan), Landscale, or other sustainability frameworks and sustainability reporting schemes.

1.1.2. Experience in the region/knowledge of the country

5 years of experience in projects in Kalimantan, and/or in East Kalimantan and East Kutai is and advantage

1.1.3. Language skills

business fluency in English and Bahasa Indonesia B1

1.2. Expert 2: Junior analyst and Data collector (1 person)

1.2.1. General qualifications

Education:	minimum holds bachelor's degree in in the field of in. forestry, agriculture, natural resource, social and economy, and relevant studies

Professional experience: 3 years of professional experience in the development of sustainability in agriculture, forestry, and plantation sectors, such as RSPO P&C, mainly for the Jurisdiction Certification process, the Sustainability Jurisdiction Indicator (IYB – Indikator Yurisdiksi Berkelanjutan), the Landscale, or other develop frameworks.

1.2.2. Experience in the region/knowledge of the country

5 years of experience in projects in Kalimantan, and/or having familiarity with local stakeholders in the targeted regions (East Kalimantan and East Kutai) is a point

1.2.3. Language skills

business fluency in Bahasa Indonesia B1

2. Quantitative requirements

Per-diem and overnight accommodation allowances are reimbursed as a lump sum up to the maximum amounts permissible under tax law for each country as set out in the country table in the circular from the German Federal Ministry of Finance on travel expense remuneration (download at https://www.bundesfinanzministerium.de).

All travel activities must be agreed in advance with the staff member responsible for the project.

Sustainability aspects for travel
GIZ would like to reduce greenhouse gas emissions (CO_2 emissions) caused by travel. When preparing your tender, please incorporate options for reducing emissions, such as selecting the lowest-emission booking class (economy) and using means of transport, airlines and flight routes with a higher CO_2 efficiency. For short distances, travel by train (second class) or e-mobility should be the preferred option.
If they cannot be avoided, CO_2 emissions caused by air travel should be offset. GIZ specifies a budget for this, through which the carbon offsets can be settled against evidence.

The market for carbon credits is made up of a large number of providers, each with different claims as to their climate impact. The Development and Climate Alliance has published a list of standards. GIZ recommends using the standards specified there.

Fee days	Number of experts	Number of days per expert	Comments
Team leader – Senior analyst	**1 person**	**20 days**	Timesheet is required
Expert-Junior analyst	**1 person**	**20 days**	Timesheet is required
Travel expenses	**Quantity**	**Number of expert**	**Comments**
Per-diem allowance in country of assignment	**20 days**	**2**	Total days for all team members multiplied with lumpsum amount using GIZ standard
Overnight allowance in country of assignment	**20 days**	**2**	Total days for all team members multiplied with

Fee days	Number of experts	Number of days per expert	Comments
			against evidence using GIZ standard
Transport	**Quantity**	**Number of expert**	**Comments**
Domestic flights	**4 trips (return)**	**2**	Flights within the country of assignment during service delivery. Estimate 2 visits to Sangatta or Samarinda for data collecting and presentation. Against evidence
CO_2 compensation for air travel	**-**	**-**	Not applicable
Other costs	**Number**	**Number of expert**	**Comments**
Travel expenses (train, car) ➢ Ground transportation to and from airport ➢ Local transportation in Sangatta	**2** **10 days**	**2** **2**	Travel within the country of assignment, transfer to/from airport (return) Local transportation in Sangatta for daily activities Against evidence.

Calculate your financial bid exactly in line with the quantitative requirements of the specification of inputs above. There is no contractual right to use up the full days/travel or workshops or budgets. The number of days/travel/workshops and the budgets will be contractually agreed as **maximum amounts**. The regulations on pricing are contained in the price schedule.

III. Requirements on the format of the tender

The tender must be legible (font size 11 or larger) and clearly formulated. It must be drawn up in English (language). The complete tender must not exceed 10 pages (excluding CVs). If one of the maximum page lengths is exceeded, the content appearing after the cut-off point will not be included in the assessment. External content (e.g. links to websites) will also not be considered.

The CVs of the personnel proposed in accordance with Chapter **Error! Reference source not found.** of the ToRs must be submitted using the format specified in the terms and conditions for application. The CVs shall not exceed 4 pages each. They must clearly show the position and job the proposed person held in the reference project and for how long. The CVs can also be submitted in English (language).