

## Terms of Reference

### Stichting IDH

## Solutions for accelerating the adoption of IDH's traceability, zero illegal deforestation and deforestation-free Protocol by Cattle Ranchers in the Legal Amazon

### 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.

On basis of these Terms of Reference (“ToR”), IDH aims to select a service provider **to create digital mechanisms that foster continuous engagement with cattle ranchers operating in the Brazil’s Legal Amazon (BLA) region, thereby accelerating the adoption of IDH's traceability, zero illegal deforestation and deforestation-free program and protocol.**

### 1. Background

#### About the Sustainable Production of Calves Program

Since 2016, IDH and various stakeholders in the Brazilian beef supply chain co-designed a transformative strategy for the Sustainable Production of Calves Program (“**Program**”). Since 2018, the Program targets smallholders in Mato Grosso engaged in calf breeding, seeking for socioeconomic inclusion of smallholders. The main pillars for this transformation are the promotion of environmental register, regularisation of land ownership, reform of low productivity pasturelands, cattle management and improvement of smallholders’ bankability. In 2019, the implementation of the Program commenced at the field level with the co-funding by IDH and the private sector members of the supply chain. In 2023, the Program was also launched in Pará State with the same purpose and pillars.

From 2019 to 2023, the implementation of the Program was rolled out as an innovative incubator model, aimed at testing solutions and attracting new partners. Main challenges for the initial implementation of the Program were to build trust with producers, get them engaged in the agenda of continuous improvement and change their mindset regarding the use of individual identification of the calves, something they had never done before. After initial results of the incubator phase, one of the conclusions is that to increase adhesion of the cattle ranchers to the Program and protocol it is a condition to invite them for digital experiences where they can test their statuses in the protocol using assessment tools that simulates the status and orient the producer on how to proceed for next steps in the technical assistance, regularisation, and traceability processes. Future challenges are thus envisioned to encompass fair remuneration of the producers based on the added value of the

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sustainable raw material (the calves) provided to the processors, retailers and the final consumers, while accelerating the voluntary adhesion of the cattle ranchers to the Program.

From 2024 to 2030, IDH will support the scaling up of the Program and the voluntary declaration of 20 million calves in the Platform as a target to be achieved by 2030 alongside continuous improvement on the traceability mechanisms. For that purpose, public and private investments will be attracted to promote the transition to a more sustainable calf production system, and the inclusion of smallholders in the national and international trade.

#### *About the socioenvironmental and traceability mechanisms*

The Program aims to achieve its goals by fostering dialogue along the supply chain and supporting the creation of a comprehensive voluntary traceability system that guarantees the beef production is in compliance with the Brazilian Forest Code (no illegal deforestation) or deforestation-free. To date, more than 500 farmers have benefitted from the Program, and their cattle are under the CNA (The Brazilian Confederation of Agriculture and Livestock) platform (“**Platform**”), totalising at about 200.000 animals. Up to the end of 2025, the Program estimates that there will be the voluntary declaration by cattle ranchers of 1 million animals on the Platform.

The Sustainable Landscape intervention by IDH and its partners supports commitments<sup>1</sup> with long-term strategy for production, protection and inclusion, among others, to increase food production, reduce carbon emissions and promote social inclusion and it is the main driver for supporting the voluntary adherence of smallholders to the Sustainable Production of Calves. The most impactful result of the Program that has potential to transform the entire beef and leather production systems is the creation of the Sustainable Production of Calves Protocol (“**Protocol**”) co-designed by IDH, NatCap and CNA Institute. The Protocol classifies the calves in accordance with three statuses: Technical Assistance for compliance and improvement, Legal Compliance with the Brazilian Forest Code, and Deforestation Free status.

Hence, within the prototype of socioenvironmental and traceability mechanisms developed under the Program, the following tools are available:

Protocol for the classification of the statuses of the animals and farms is public at: [https://www.cnabrazil.org.br/storage/arquivos/Memorial-Descritivo-Bezerro\\_-03-04-23.pdf](https://www.cnabrazil.org.br/storage/arquivos/Memorial-Descritivo-Bezerro_-03-04-23.pdf),<sup>2</sup> <https://www.bezerrosustentavel.com.br/> and <https://dev-web.bezerrosustentavel.com.br/>.

**In this context, IDH is looking for a partner to create digital mechanisms that foster continuous engagement with cattle ranchers operating in the Brazil’s Legal Amazon region, thereby accelerating the adoption of IDH’s traceability, zero illegal deforestation and deforestation-free program and protocol to reach 1 million animals by the end of 2025.**

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<sup>1</sup> This refers to Landscapes strategy followed by the Compact Coalition in Mato Grosso, whose commitments are public on [The PCI Institute \(pciinstitute.org\)](https://www.pciinstitute.org/) website.

<sup>2</sup> Launch of the Protocol on March 2022 at <https://vimeo.com/693243595>



## 2. Assignment

### *Objectives*

The overall objective of the assignment is to create digital mechanisms to accelerate the voluntary adoption of the Sustainable Production of Calves Protocol, enrolling over 1.800 farmers and tracking at least 1 million heads of cattle by 2025.

### *Specific objectives*

#### 2.1 DIGITAL MARKETING

To achieve the goal of enrolling over 1,800 farmers and tracking 1 million heads of cattle by 2025, IDH seeks to increase awareness about the Program through digital channels, creating a conversion funnel for farmers' enrolment and content communication ruler, onboarding new ranchers to the Program and tracking their conversion rate.

The key elements of this component of Services are as follows:

- Create, manage and promote Program's Social Media Channels (such as Instagram, Facebook, X, etc.),
- Implement digital traffic strategy to boost the content of the Program and the Protocol to cattle ranchers that operate in the States of Mato Grosso and Pará, so the number of cattle ranchers that upload information in the Platform increases,
- Adapt the Program's campaign (both in design and content) to promote the Program on digital channels,
- Provide updated digital marketing content to continuously boost the digital engagement of cattle ranchers to the Program, the Protocol and the Platform,
- Provide a monthly report on the Program campaign results.

#### 2.2 TRANSFORMATION SERVICES

As explained in Section 1 above, the Program is in the process of development of a traceability mechanism, from the calves ranchers, through cattle growers, up to end products traded nationally and worldwide. This is currently done through various digital products, with the ultimate aim to connect and merge them into a comprehensive system.

The selected service provider is expected to design a strategic plan and implement improvements over the actual IDH's calves' traceability program membership page,<sup>3</sup> seeking to enhance ranchers' experience with traceability, allowing a fast-track mechanism to communicate herd's data to the competent institutions. Through these improvements, IDH expects not only to elevate operational efficiency of the Program but also to foster a culture of innovation, enabling farmers to seamlessly furnish self-declarations of traceability, thereby advancing the Program's robustness and efficacy. This objective aims to empower farmers with the option to directly enroll in the Program through a digital product, simplifying the process and encouraging swift adoption.

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<sup>3</sup> Meaning the Platform, accessible via <https://www.bezerrrosustentavel.com.br/> and <https://dev-web.bezerrrosustentavel.com.br/>



The key elements of this component of Services are as follows:

- i. Provide: 1) a deep analysis of the current status of the cattle ranchers' engagement tools, and 2) a strategy on how to enhance their willingness to engage and stay engaged to the Program, Protocol and Platform.
- ii. Create an agile implementation plan, taking into consideration the findings under point i) above.
- iii. Create a Prototype the transformation services for new tools and workflows.
- iv. Improve the Platform's user experience, targeting to convert pre-enrolled users to members of the Program.
- v. Create the data collection module of the herds data in the Platform.
- vi. Improve the management tool for admin users of the Platform.

The basic requirements for the cattle ranchers' engagement and self-declaration platform shall include, at minimum:

- The digital platform is expected to run a web application, allowing users to interact with it through a web browser, and be responsive, which means that this app adapts its layout and design to different screen sizes, ensuring optimal user experience on various devices, including desktops, tablets, and smartphones.
- Develop a system feature to fulfill traceability protocol data requirements, ensuring comprehensive coverage of the registered herd. This entails capturing and organizing data from individual animals, as well as details pertaining to the instances of origin and destination. The feature should seamlessly integrate and present a cohesive dataset, enhancing traceability across the entire farming process.
- Automatization of communication with farmers in each stage of the farmers' enrollment process;
- Compliance of the Platform's processes with EU GDPR and LGPD regulations,

Additionally, the Assignment is expected to be run by a dedicated project manager fluent in Portuguese language for better interaction with IDH team and the stakeholders at the field level.

### *Deliverables*

The deliverables of this assignment will be:

<b>Deliverables of assignment</b>	<b>Deadline</b>
Planning (requirements analysis and marketing strategy)	March 18, 2024
Digital Marketing (promotion)	June 10, 2024
Transformation Services (track and trace tools)	June 24, 2024
Program Management and Operations	June 24, 2024



### 3. Selection Procedure

The selection procedure will be as follows:

1. Publishing the tender as an open invitation for service providers to submit a proposal based on this ToR.
2. Evaluation of the proposals by the evaluation committee against the criteria outlined in the ToR.
3. The 3 proposals that receive the highest scores will be presented to the evaluation committee. The evaluation committee will evaluate the proposals based on the selection criteria outlined in this ToR.
4. Decision on selection of the Applicant.
5. Inception meeting with the selected Applicant.

The schedule below indicates the timelines for the tender procedure:

Tender process	Timeline
ToR published	Jan15, 2024
Deadline for submission of proposals*	Feb 11, 2024
Selection of Applicant	Feb 16, 2024
Start of assignment	March 04, 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 evaluation committee will assess the proposals.

The proposals will first be tested for completeness:

- The absence of the documents referred to in Section 4 of these Terms of Reference can lead to exclusion from further participation in the tender procedure. This is also the case when minimum requirements listed in this ToR are not met.
- If the proposal is complete, the evaluation committee will assess the proposal based on the criteria as mentioned in Section 5 below.

The assignment will be awarded to the Applicant with the most economically advantageous tender. This selection is determined based on the evaluation criteria: price and quality (see: Section 5).

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 Applicants to hand in a proposal in a 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, specifically demonstrating the understanding of the local context of the Assignment.

*Please note: We request for the structure of the proposal to match the order of 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 to be assigned to provide the Services.
- d. Budget presented in Euros (ex VAT) with a break-down of days/rate per project team member.

**Please note: the maximum budget for this assignment is set out below in Section 5 under Step 2 – Price.**

- e. Statement on Ground for exclusion (see section 7 below)

##### Administrative:

- f. Completed Detail Request Form (Annex 1)
- g. Copy of most recent financial accounts (audited, if applicable)
- h. Statement of acceptance draft contract (Annex 4)

The proposal must be submitted to Manuela Maluf Santos at [malufsantos@idhtrade.org](mailto:malufsantos@idhtrade.org) before **February 11, 2024 at 18 h BR time.**

#### 5. Testing and weighing

The assignment will be awarded to the Applicant 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. Applicants 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 or control over them have been the subject of a judgment which has the force of res judicata for fraud, corruption, involvement in a criminal organisation, money laundering or any other illegal activity.

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

2. Applicants shall not make use of child labour or forced labour 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 Applicant 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 <b>Proposal overall</b>	The extent to which the proposal meets the requirements set out in Section 3 above and throughout these ToR. Can the Applicant deliver the requirement deliverables? Will the Applicant be able to deliver a comprehensive solution?	5
2 <b>Design and Development process</b>	<p>The extent to which the Applicant demonstrates that a clear design and development process will be followed and IDH is adequately consulted for input during the design and development.</p> <p>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 Assignment without being too onerous on IDH staff.</p> <p>The extent to which the design and development process meets the requirements for the cattle ranchers' engagement and self-declaration platform specified under Section 2 of these ToR.</p>	5
3 <b>Track record</b>	<p>The extent to which the Applicant presents the required level of expertise and knowledge to fulfil the requirements both at team member and company level.</p> <p>To extent to which the Applicant gives a clear description of the project team, relevant (delivering similar projects) experience of team members and time allocation per team member.</p> <p>Relevant experience and deep understanding of Brazilian agriculture is significantly advantageous.</p> <p>Demonstrable experience in developing digital projects involving personal and sensitive data is required.</p>	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*

A combined price in Euros (ex VAT) is to be presented. This is to be broken down by team member rate and hours.

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





**The maximum budget is EUR 200,000 (two-hundred thousand Euros) excl. VAT. The maximum budget is inclusive of travel and other expenses.**

### *Step 3 - Weighting*

The final score will be weighted 70% on Quality and 30% on Price.

If scores of Applicants are equal, priority will be based on the total scores that were given for the Criterion Quality. The assignment will be awarded to the Applicant 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 Applicant it intends to award the assignment, a written notification thereof is sent to all Applicants participating in the tender procedure.

The Applicant is contracted via a letter of assignment, following IDH's template (Annex 2).

## **6. Communication and Confidentiality**

The Applicant 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 Manuela Maluf Santos via malufsantos@idhtrade.org. The Applicant is thus explicitly prohibited, to prevent discrimination of the other Applicants 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 Applicant will also impose a duty of confidentiality on any parties that it engages. Any breach of the duty of confidentiality by the Applicant or its engaged third parties will give IDH grounds for exclusion of the Applicant, without requiring any prior written or verbal warning.

All information, documents and other requested or provided data submitted by the Applicants 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 Applicant.

## **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: Detail request form

Annex 2: Letter of Assignment (LoA)

Annex 3: IDH General Terms and Conditions for Services

Annex 4: Statement of acceptance (LoA and General Terms and Conditions)