



**Terms of Reference**  
**IDH Brazil Landscape Program**  
**PCI Compact in Balsas Region - Maranhão**  
March 18, 2020

**1. Introduction**

IDH Sustainable Trade Initiative (“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 IDH aims to select a party that conducts **the implementation of a PCI (Produce, Conserve and Include) compact in Balsas Region - Maranhão**: A crucial component of our strategy is the achievement of a sustainable landscape that will supply responsible production to the markets. This would be materialized via PCI Regional Compacts where there is an agreement between public, private, civil society (incl community) stakeholders to enhance the sustainability and productivity of land and secure community livelihoods in exchange for forest /natural resources protection in a given sub landscape, in this case in Balsas Region/MA.

Connected to that is the view that this is a pre-investment step for the sub landscapes, where the components of the intervention promoted now, will lead to the establishment of a Verified Sourcing Area (VSA), a market mechanism that links jurisdictional multi-stakeholder coalitions addressing systemic issues in sourcing areas to commodity markets looking to source agricultural and forestry commodities at scale in line with sustainability commitments

IDH reserves the right to update, change, extend, postpone, withdraw or suspend the Terms of Reference, this tender, or any decision with regard to 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. IDH reserves the right to suspend or annul the Tender Procedure at any moment in time.

Participants 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 these Terms of Reference, and subsequent information and documentation in this tender procedure.

**2. Objectives**

The overall objective of this assignment is the build and implementation of a PCI Regional Compact, where the players from different sectors are engaged to deliver long term targets based on a multi-stakeholder environment.



The specific objectives of this assignment are the building of a regional compact, which we can call a Produce, Conserve and Include Regional Compact. A PCI Regional compact is an agreement between public, private and civil society and community stakeholders to enhance the sustainability and productivity of productive land and secure community livelihoods in exchange for forest - or more broadly natural resources - protection. It aims to create a strong link between natural resources protection and sustainable productive activities, in such a way that agricultural production and use of natural resources become activities that actively contribute to protection of natural resources and forest and community livelihoods and that they become investable as well. These compacts are based on participatory land use planning and management, whereby land for production, livelihoods and protection is clearly identified, and their related uses are agreed upon by the landscape stakeholders and recognized by local and national government as part of their commitments to the Sustainable Development Goals (SDGs). They include time bound targets for each of the PPI components, a plan of action, clear definition of roles & responsibilities, a budget for implementation, a monitoring mechanism and governance system. The compact building process is divided into 4 steps, being: 1) Scoping of the region; 2) Building a Landscape Coalition; 3) Developing the Building Blocks of the PCI Regional Compact and 4) Finalizing the compacts as described below:

- 1.) STEP 1 - Scoping Phase, this comprises a general landscape analysis, considering PCI Compact scope, including:
  - a. The promotion of meetings with key local influencers aiming to understand main local issues and start stakeholders mapping.
  - b. The engagement with local government, explaining the compact and requesting their support.
  - c. Make an early and simplified geospatial analysis, aiming to deliver guidance on next steps, especially related to environmental issues.
  - d. Make a socioeconomic analysis, providing risks, challenges and opportunities related to PCI Regional Compact implementation.
  
- 2.) STEP 2 - Building a Landscape Coalition, which includes:
  - a. Conduct an Institutional Articulation with local stakeholders.
  - b. Analysis of social and environmental programs already placed in the region and how it connects with PCI Regional Compact.
  - c. Signature of a letter of intentions by local stakeholders
  
- 3.) STEP 3 - Developing the Building Blocks of the PCI Regional Compact, which includes:
  - a. General definition of the goals for each one of the PCI Compact pillars (Produce, Conserve and Include).
  
- 4.) STEP 4 - Finalizing the Compact, which includes:
  - a. Formal proposal for Compact framework and governance.



- b. Establish roles and responsibilities for PCI Regional Compact Steering Committee, setting guidelines and timetable for implementation, aligned with IDH expectations and guidance.
- c. Formalizing the compact through a Memorandum of Understanding between all the stakeholders involved.

### 3. Deliverables

The deliverables of this assignment will be:

#	Deliverables of project	Deadline
1	Scoping Report	Within 30 days of the starting date
2	Building a Landscape coalition report	Within 60 days of the starting date
3	Letter of Intention Signed	Within 60 days of the starting date
4	Building Blocks (local PCI Targets) construction report	Within 90 days of the starting date
5	Report with the suggested governance structure and roles & responsibilities	Within 120 days of the starting date
6	Memorandum of Understanding Signed	Within 120 days of the starting date

### 4. Proposal guidelines

The proposal should be based on **ANNEX I – PRE-INVESTMENT PROPOSAL FOR PLANNING AND STRUCTURING A COMPACT** attached to this ToR. The proposal should have a succinct and well-documented approach on how to develop each of the steps mentioned in section 2 (Objectives) in order to build the PPI Compact. Additionally, the proposal must provide the following:

- a. A succinct word document, well-documented approach on how to develop each of the steps mentioned in section 2 (Objectives) in order to build the PPI Compact.
- b. Inclusion of a budget with a break-down of man days/rate per consultant and that is based on the deliverables from the table in section 3.
  - a. Please note that any travel costs will be paid based on actual receipts.
- c. Clear description of the project team, relevant experience of team members and time allocation per team member
- d. Description of contractors (if any)
- e. References with relevant experiences

## 5. Selection criteria & procedure

### Grounds for exclusion

1. Tenderers shall be excluded from participation in a procurement 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 organization, money laundering or any other illegal activity, where such illegal activity is detrimental to the MFA's financial interests.

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

2. Tenderers 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).

### Consultant/Consultancy profile

The consultant(s) need to have the following experience / knowledge:

1. Extensive experience on building and managing multi stakeholder coalitions;
2. Experience working with local government and public sector;
3. Experience working with a landscape/jurisdictional approach;
4. Experience in commodities supply chains as well as in family agriculture supply chains;

The consultant(s) need to have the following skills:

1. Ability to work closely with smallholders, understand and report their challenges;
2. Ability to work closely with local government bodies and producers' associations;
3. Ability to engage with different kind of stakeholder and manage conflicts;

### Procedure

The procedure will be as follows:



- Inviting consultancy companies for presenting a full proposal based on the TOR
- Evaluation of the proposals by an evaluation committee consisting of Daan Wensing, Daniela Mariuzzo, Marcela Paranhos and Guilherme Justo. The evaluation committee will assess the proposals on the basis of the exclusion, selection and award criteria as published in these Terms of Reference.
- Decision on selection of consultancy
- Inception meeting with the selected consultancy company

Tender process	Timeline
Terms of Reference published	March 18 <sup>th</sup>
Deadline for submission of proposals*	April 10 <sup>th</sup>
Selection of consultancy	April 17 <sup>th</sup>
Awarding of contract to successful consultant	April 17 <sup>th</sup>

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

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

### **Selection Criteria and Evaluation Method**

By assessing and weighing the submitted proposal against the selection criteria in this ToR, a decision will be made to award the contract for this assignment to the Tenderer who best meets all the criteria specified.

### **6. Confidentiality**

The Tenderer 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 Guilherme Justo via [justo@idhtrade.com](mailto:justo@idhtrade.com). The Tenderer is thus explicitly prohibited, to prevent discrimination of the other Tenderers 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 with confidentiality. The Tenderer will also impose a duty of confidentiality on any parties that it engages. Any breach of the duty of confidentiality by the Tenderer or its engaged third parties will give IDH grounds for exclusion of the Tenderer, without requiring any prior written or verbal warning.

All information, documents and other requested or provided data submitted by the Tenderers 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 Tenderer.



## **7. Contact information**

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Position : Program Manager  
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**ANNEX I**

<p align="center"><b>PRE-INVESTMENT PROPOSAL FOR PLANNING AND STRUCTURING A COMPACT</b></p> <p><b>From:</b></p> <p><b>To:</b></p> <p><b>Re:</b> Pre-investment to define the parameters and governance of the PCI Regional Compact initiative in ____</p> <p><b>Budget Requested:</b> EUR</p> <p><b>Date of submission:</b></p>
<p><b>Proposed start date:</b></p> <p><b>Duration (estimated):</b></p>

**Project Contacts:**

**Principal Finance Contacts:**

**Person Authorized to sign Grant Agreement Letter:**

**Organization Address:**

**Proponent:**

**Key partners:**

**Technical support:**

**Summary:**

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[Please consider review the pages numbers after the proposal is complete!](#)



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## **1. Introduction**

*Please describe the sub landscape characteristics (localization, population, economic activities, main supply chains, historic deforestation rates and challenges, what has been done so far to decrease deforestation, success / failures cases and other relevant information).*

*Please describe the reasons you believe this sub landscape should be selected for the building of a Compact.*

*Please describe the business opportunity for further investments in the sub landscape.*

## **2. Organizations Background and Potentialities**

*Please describe background information of the key partners and their potentialities that will support the development of this proposal to build a Compact.*

## **3. Vision of the Compact and Objectives of the Project**

*Please describe the vision for the Compact that will be developed in this sub landscape.*

*Please describe the objectives and ultimate goal of this Project.*

## **4. Potential of the Sub landscape for the PCI Regional Compact**

*Please, elaborate on why this sub landscape is the ideal region for leading the PCI Regional Compact implementation. To that end, please summarize information about the territory and the environmental and socioeconomic situation in order to inform the jurisdictional scope (Step 1) for implanting a PCI Regional Compact.*

### **4.1. Sub landscape Description**

*Please complete with text*

***Suggestion: Figure with Map of the sub landscape***

### **4.2. Environmental and Territorial Status**

#### **Deforestation**

*Please complete with text*

***Suggestion: Figure with Vegetation cover and accumulated deforestation in the sub landscape***

#### **Land use and the land title issue**

*Please complete with text*

**Suggestion Table X:** Land use in the Sub landscape.

Type of land use	Area (ha)
Agriculture	
Mining	
Reforestation	
Secondary vegetation	
Total pastures	
Maintained pasture	
Degraded pasture	
Regeneration with pasture	
Others	

**Environmental and land use management (including info on CAR and PRA)**

*Please complete with text*

***Suggestion Table:** Rural properties with CAR, main land uses, rural settlements and indigenous lands in the sub landscape.*

**4.3. Socioeconomic Profile**

**Social indicators**

*Please complete with text*

**Economy**

*Please complete with text*

**Suggestion Table:** GDP of the landscape by sectors.

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GDP	Amount in R\$
Agriculture and ranching	
Industry	
Services (including public administration)	
Others	
Total	

**Agriculture**

*Please complete with text*

**Suggestion Table:** Agricultural production (tons) and gross revenue (R\$) of the sub landscape

Municipality	Production (ton)	Revenue (R\$)

**Ranching**

*Please complete with text*

**Industries**

*Please complete with text*

## 5. Work Plan (organize it by activities that will reflect on the budget and timetable)

### **STEP 1 – Scoping**

*Describe the sub landscape and how the boundaries were identified (note: boundaries could be defined by ecological features, such as a watershed, or jurisdictional boundaries)*

*Carry out an in-depth analysis of the sub landscape features e.g.:*

- *Environmental issues (e.g. deforestation, water pollution, etc) and its drivers (e.g. agricultural or extractive activities)*
- *Analysis of production-related issues (current practices, how they influence the state of natural resources etc)*
- *Existing targets adopted by public authorities to address the issue, e.g. Sub landscape could be part of a Green Growth Plan, which sets the high-level vision and strategy for the sub landscape*
- *What is the business case for action (e.g. could be coming from a link to global supply chains)*
- *Opportunity to develop a landscape level governance system: mapping and first analysis of the landscape stakeholders, identification of possible conveners, possible roles & responsibilities etc*

#### **Complementary information:**

- *What are the levers, what will the compact focus on?*
- *Key issues, where do you want to make a difference.*
- *What is the draft vision/ end goal for the sub landscape? (that way it is easier to guide the convening, you know what you want to 'sell').*
- *Keep trade-offs in mind; don't define it too much, as stakeholders will also need to contribute. Suggestion: consider to convene meeting with current partners on what the vision is as initial part of this step.*
- *Initial mapping of the stakeholders should also be considered as an activity under this step.*

#### **Expected Result:**

- *Diagnosis of the sub landscape with details on the productive, social and environmental characteristics, partners involved and necessary investments.*

### **STEP 2 – Building a Landscape Coalition**

*Consists in setting a **multi-stakeholder coalition**, which brings together national-level and local level public authorities, communities, business, NGO and CSOs that have a stake in the sub landscape.*

- *Led by a neutral organization (could be government)*

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- *Small group of key influencers to lead the implementation*
- *Coalition members have ownership of the plans (land use/action plans)*
- *Coalition supports the creation of an enabling environment, by supporting the necessary policy implementation and regulatory changes (if needed)*

*The stakeholder coalition develops and agree on **land use plans** and **action plans**:*

- *Should be **target-based***
- *Should be **aligned with the state-level targets** (e.g. PCI Strategy, PMV)*
- *Roles & Responsibilities (including market) should be clearly identified*

**Complementary info:** *Please analyze including everyone versus including only key players first. From the group that is already there can you move forward? Do you have all the key players? Does the strategy match the mayor's/ municipality's? Are there any already existing coalition, and how could they be strengthened?*

### **Expected Results:**

- *Report summarizing the consultation process with suggestions of key steps that will lead to the final agreement/pact to be signed by key stakeholders in the sub landscape.*
- *Memorandum of Understanding signed by the stakeholders.*

## **STEP 3 - Developing the Building Blocks of the PCI Regional Compact**

*Compacts are based on Specific, Measurable, Achievable, Relevant and Time-Bound targets, structured around the three components of the PCI:*

- **Production:**
  - *Number of hectares where sustainable production / rehabilitation / sustainable intensification is happening*
  - *Volumes of sustainably produced commodities*
- **Conservation:**
  - *Number of hectares of protection and restoration (adjusted for forest condition)*
  - *Targets in terms of HCV/HCS protection, and ecological function (e.g. ecological corridors)*
- **Inclusion:**
  - *Number of farmers/households that benefit from:*
    - *jobs/income provided by productive activities*
    - *other livelihood/income opportunities created through the PCI Regional Compact*

**Complementary info:** *The above targets can be complemented by more refined/detailed targets on the 3 pillars of Production, Protection and Inclusion, as appropriate. Here we would expect high level compact targets, and then building blocks of how to get there. Quantify and qualify on a high level; and then detail out roles & responsibilities. The targets will need to be ambitious, and stakeholders will have to be challenged. Remember to go beyond purely environmental targets, and also consider socio-economical benefits of the action plan.*

*Also avoid too much NGO approach; alignment with end buyers before going to farmers in required before. Mention sector specific agreements here.*

**Expected results:**

- *Technical report with maps and database of all of the CARs registered in the sub landscape including status of the forest cover, APP and RL areas ready for validation.*
- *Report with maps and the parameters, goals and monitoring indicators defined in relation to reducing deforestation, intensifying ranching and restoring forests at the property scale (priority areas) and at the jurisdictional level (municipality scale).*

**STEP 4 - Finalizing the Compact**

*Compacts also specify:*

- *Budget for implementation*
- *Timeline for implementation*
- *Governance of the implementation*
- *The Monitoring system to track progress on targets, incl verification*

*PCI Regional Compacts should be signed by the organizations that are part of the landscape coalition, as e.g. a letter of intent or letter of support.*

*By signing it, the stakeholders commit themselves to achieving the identified targets*

**Expected Results:**

- *Proposal for the governance system for the PCI Regional Compact in the sub landscape, including by-laws, rules and independent mechanisms for verification and monitoring, and draft portal for the program.*
- *Budget proposed for the implementation of PCI Regional Compact in the sub landscape, considering investments from supply chain and local actors.*
- *A clear exit strategy should be formulated. AndGreen fund investment, preferential sourcing.*

**5. Key Project Staff**

*Please describe the personnel that will be directly involved to develop the proposal, considering also resources extra – NGO, like personnel from the companies, the government, other partners' personnel.*

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**6. Timetable of Activities and 7. Grant Budget Plan (please use the excel file template)**

*The Project will be developed over x months, starting with signing of the contract with IDH, in line with the timetable presented below: **Please use the PCI Regional Budget and Timeline Template file and paste it here***

