

Terms of Reference

IDH Sustainable Trade Initiative

PCI Compact in Juína - Mato Grosso

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 (“ToR”) IDH aims to select a party to develop a PCI (Produce, Conserve and Include, hereinafter referred to as “PCI”) strategy for a Compact in Juína - Mato Grosso. A crucial component of the PCI strategy is the development of a sustainable landscape that will supply responsible production to the markets. This would be materialized via PCI Regional Compacts which are formalized in an memorandum of understanding 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 Juína/MT.

2. Background

Launched in 2015 during the Climate Convention in Paris (COP21), the Strategy Produce, Conserve and Include (PCI) is a jurisdictional approach to the sustainable development of the State of Mato Grosso. Its objective is to promote socio-economic development in the territory through sustainable land use. In this view, future production growth agriculture is accommodated within the existing productive area through the intensification sustainable development and the adoption of good practices (*Produzir*), areas of native vegetation are restored in accordance with legal requirements and the remaining forests and savannas are (*Conservar*) and family farming, indigenous peoples and traditional communities can improve their well-being and prosper (*Incluir*).



Similarly, across various landscapes worldwide, IDH has developed PPI (Production, Protection & Inclusion) compacts. These regional coalitions between public, private and civil society stakeholders aim to make land more productive and improve livelihoods, in exchange for protection of natural resources, most notably forests. Conditional de-risking funds help unlock additional investments in more productive land use, forest protection measures and/or alternative livelihoods for forest dependent communities. Implementation of PCI Regional Compact is a pre-investment step for the sub-landscapes, where the promoted components of the intervention, will lead to the establishment of 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.

3. Assignment

Objectives

The overall objective of this assignment is to develop and implement the strategy for 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 objective of this assignment is the development and implementation of a regional compact in Juína, Mato Grosso, to be called a Produce, Conserve and Include (PCI) Regional Compact. This process shall be divided into 4 steps:

- 1) Scoping of the Juína, Mato Grosso region;
- 2) Building a Landscape Coalition;
- 3) Developing the Building Blocks of the PCI Regional Compact, and
- 4) Formal establishment of the PCI Regional Compact.

The steps can be further described as follows:

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.

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 Intention by local stakeholders

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).

STEP 4 - Finalizing the PCI Regional 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.



Deliverables

The deliverables of this assignment will be:

Deliverables of assignment	Deadline
A) Scoping Report	Within 45 days of the starting date
B) Building a Landscape coalition and Building Blocks report	Within 100 days of the starting date
C) Letter of Intention Signed	Within 100 days of the starting date
D) Memorandum of Understanding Signed	Within 150 days of the starting date
E) Final Report - PCI targets construction report and Governance Structure proposal	Within 180 days of the starting date

4. Selection Procedure

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 the candidates for presenting a full proposal based on the TOR.



- Evaluation of the proposals by the evaluation committee. 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 a consultant.
- Inception meeting with the selected consultant

The schedule below indicates the timelines for the tender procedure:

Tender process	Timeline
ToR published	03/03/2023
Deadline for submission of proposals**	13/03/2023
Selection of a consultant	15/03/2023
Start of assignment	20/03/2023

** 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 evaluate 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 minimum requirements listed in this ToR are not met.
- If the proposal is complete, the selection committee will evaluate the proposal based on the criterion as mentioned 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.

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

5. Proposal requirements

IDH is requesting the service providers to hand in a proposal of maximum 4 pages (excluding company biographies, CVs, sample work and references). The proposal must be handed 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. 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 members
- d. Budget presented in Euros (ex VAT) with a break-down of days/rate per project team member
- e. Statement on Ground for exclusion (see section 7 below)

The proposal must be submitted to Alex Schmidt at schmidt@idhtrade.org before 13/03/2023 at 6p.m.

6. 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 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.

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.

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	Quality of proposal	This criterion will evaluate the level of the proposal according to points mentioned in item “5. Proposal requirements”.	4
2	Execution time	The deadline to conclusion of all activities and delivery of all products and information is November 2023.	4
3	Commercial references	In this criterion will be considered work experience, qualifications, and commercial references.	4

The evaluation committee will unanimously score each component by assigning scores from 1 to the maximum grading 4, with the maximum grading representing optimal performance on the component and 1 representing extremely poor performance on the respective component.

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 4.



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

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.

7. 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 **Alex Schmidt** via **schmidt@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.

8. 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.

9. Annexes

Annex 1: Letter of Assignment

Annex 2: IDH General Terms and Conditions for Services

LETTER OF ASSIGNMENT ("AGREEMENT")

THE PARTIES:

IDH Sustainable Trade Initiative, a foundation under the laws of the Netherlands, registered with the Dutch Chamber of Commerce under number 53521129, having its registered office and its place of business at Arthur van Schendelstraat 500, (3511 MH) Utrecht, the Netherlands, in this matter duly represented by **Mr. Daan Wensing/ Ms. Lizet Friesen Leibbrandt**, hereinafter referred to as "**IDH**", and;

[Name Partner], a [form of legal incorporation] under the laws of [name country], registered with the [name National Registration Authority] under number [registration number], having its registered office and its place of business at [address], [name country], in this matter duly represented by Mr./Mrs. [name representative], hereinafter referred to as the "**Consultant**".

IDH and the Consultant also together referred to as the "**Parties**" and individually as "**Party**".

HEREBY AGREE AS FOLLOWS:

1. The IDH General Terms and Conditions for Services (attached hereto as Annex 1) (hereinafter referred to as the "**IDH General Terms and Conditions**") apply to this Agreement between IDH and the Consultant.
2. Unless otherwise specifically agreed to by the Parties, in the event of any conflict between the terms of this Agreement and its annexes, the following order or precedence will be applied: i) the terms of this Agreement; ii) the IDH General Terms and Conditions; iii) the Proposal; iv) other annexed documents, if relevant.

Scope of Services

3. The Consultant will provide services to IDH with regard to insert generic type of services (the "**Services**"), in accordance with the proposal enclosed to this letter as Annex 2 (the "**Proposal**"), which includes the approved budget and planning, all of which are integral part of this Agreement. The Services shall consist of the following:
 - I. example
 - II. example
 - III. example

This will result in the following deliverables:

- I. example
 - II. example
 - III. example
4. The Services by the Consultant will be completed before date.
 5. The Consultant hereby agrees that the Services under this Agreement shall actually be performed by the following project team: insert name(s). Notwithstanding the individual(s) assigned to the Services, the Consultant remains responsible and liable for the Services under this Agreement.

Payment

6. For the satisfactory completion of the Services in compliance with the Proposal, the Consultant is entitled to a payment of EUR [amount] (including VAT and all applicable other taxes), based on consultancy fees calculated in the budget.
7. If IDH and the Consultant agree that additional time is needed to complete the Services, Parties will confirm their agreement to the amount of additional time needed in an addendum to this Agreement. The Parties agree that the rates used in calculating the cost of such agreed additional time spent by the Consultant on the Services will be in accordance with the rates set out in the Proposal.
8. The Consultant will invoice the amount due in two equal parts: the first invoice (which includes an advance payment for any expenses included in the Proposal) may be sent after signing of this Agreement, the second invoice can be sent after IDH's written approval of satisfactory completion of Services. The second invoice should include a settlement of the actual expenses made: in the event the Consultant spends less than the expenses budgeted in the Proposal, the actual costs shall be settled accordingly with the final invoice. The invoices shall make specific reference to the contract number [Salesforce number] and be sent by email to: 'invoice@idhtrade.org'.
9. Any expenses made within the scope of this assignment shall only be reimbursed against original receipts, to be provided to IDH by the Consultant together with the final invoice. Any additional expenses not contained in the Proposal must be approved by IDH in writing, prior to making the expenses.
10. All funds provided by IDH will be transferred and disbursed to the Consultant at the following bank account:

Bank Name:	Name bank + country
Account Name:	•
Account Number:	•
Routing/ABA Number:	•
SWIFT Code:	•

Intellectual Property

11. The Consultant acknowledges that IDH is and maintains to be the owner of all intellectual property arising from the performance of this Agreement, including but not limited to copyrights, database rights, trademarks, patents and know how (the "**Arising Intellectual Property**").
12. Any Arising Intellectual Property vested in the Consultant is hereby transferred, assigned and delivered to IDH (in advance), including the right to publicly communicate about the Project. The aforementioned transfer, assignment and delivery is hereby accepted by the Consultant and IDH (in advance).

Exclusivity

13. This is a non-exclusive Agreement and it preserves the right of each Party to work independently or with other persons or organisations on other programs or programs covering activities similar or identical to the subject of this Agreement anywhere in the world.
14. Nothing in this Agreement shall be construed as constituting the Parties as partners or as creating between such parties the relationships of employer and employee.

Duration

15. The Agreement will be effective as from date and shall terminate automatically on date, unless extended by the Parties in writing.
16. Any Party may exit the Agreement before the end of the term of the Agreement, subject to 30 days written notice.
17. The rights and obligations of the Parties which by nature are meant to survive this termination, shall not terminate on this date.

SIGNATURE PAGE FOLLOWS

SIGNED BY THE PARTIES FOR AGREEMENT:

For IDH

Name Mr. Daan Wensing/ Ms. Lizet Friesen Leibbrandt

Position: CEO/ CFO

Date: _____

For the Consultant

Name:

Position:

Date: _____

Attached to and integral part of this Agreement are:

Annex 1: IDH General Terms and Conditions for Services

Annex 2: insert name Proposal

IDH SUSTAINABLE TRADE INITIATIVE GENERAL TERMS AND CONDITIONS for services

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These General Terms & Conditions for services of IDH Sustainable Trade Initiative (“IDH”) state the rights and obligations of both the contracting party and IDH regarding their cooperation in general. Specific rights and obligations are agreed to in a separate agreement between the contracting party and IDH.

I. GENERAL CONDITIONS

1. DEFINITIONS

1.1. In these General Terms and Conditions of IDH Sustainable Trade Initiative, the following definitions apply:

“IDH”: Stichting IDH Sustainable Trade Initiative, a foundation under the laws of the Netherlands, registered with the Dutch Chamber of Commerce under number 53521129, having its registered office and its place of business at Arthur van Schendelstraat 500 (3511 MH) Utrecht, the Netherlands.

“Contracting Party”: The party (or parties) that has/ have been awarded an assignment by IDH for providing services.

“Party” / “Parties”: IDH and the Contracting Party individually and collectively.

“Affiliates”: affiliates and/or subsidiaries (*groeps- en/of dochtervennootschappen*) within the definition of section 2:24 a and b of the Dutch Civil Code (*Burgerlijk Wetboek*);

“IDH General Terms and Conditions for services”: The terms & conditions in this document.

“Letter of Assignment”: the specific agreement (and all amendments thereto) between IDH and the Contracting Party in which IDH and the Contracting Party agree that the Contracting Party will provide services for IDH (under section 7:400 of the Dutch Civil Code (‘overeenkomst van opdracht’).

“Entire Agreement”: The IDH General Terms and Conditions for services and the Letter of Assignment together, as well as any annexes or other documents and terms and conditions which are applicable to the relationship between IDH and the Contracting Party (‘Additional Conditions’) and to which the Letter of Assignment expressly refers.

“Services”: The services to be performed by the Contracting Party pursuant to the Letter of Assignment.

2. APPLICABILITY OF THE IDH GENERAL TERMS AND CONDITIONS FOR SERVICES

2.1 The IDH General Terms and Conditions for services apply to the Entire Agreement between the Contracting Party and IDH. The applicability of any of the Contracting Party’s conditions or other conditions is expressly excluded.

2.2 IDH has the right to change or add to the IDH General Terms and Conditions for services. IDH

will notify the Contracting Party of any changes and/or additions before they take effect.

- 2.3 In case of inconsistencies between the General Terms & Conditions and the Letter of Assignment, the Letter of Assignment will prevail over the General Terms & Conditions.

3. LIMITATION OF LIABILITY

- 3.1 IDH cannot be held liable for damages, losses and/or personal injury suffered by the Contracting Party and/or any third party resulting from the execution of the Entire Agreement, including any infringement of intellectual property rights. In addition, either Party's liability for consequential damage, consequential loss, lost profits, lost savings, loss of goodwill, damage through business interruptions or damage ensuing from claims by third parties - whether based on contract, tort or otherwise - shall be excluded. The limitations of liability mentioned in this clause, or elsewhere in the Entire Agreement, shall not apply if and insofar as the damage or injury is the result of the willful intent or deliberate recklessness by the Parties or their executives.

4. INDEPENDENCE

- 4.1 The Contracting Party is not a legal signatory for IDH and does therefore not have the mandate to sign any contracts or other legally binding documentation on behalf of IDH.
- 4.2 The Entire Agreement does not, in any way, constitute an employment agreement between the Contracting Party and IDH. Therefore the Contracting Party shall be fully responsible for the payment of all taxes, social security and other costs and obligations. IDH cannot be held liable for any financial claims in this respect.

5. FRAUD AND CORRUPTION

- 5.1 The Parties are aware of the IDH Code of Conduct (which can be found [here](#), or via the 'Our policies' tab on the 'About' webpage: <https://www.idhsustainabletrade.com/policies>). The IDH Code of Conduct provides the ethical framework in which IDH and any party contracted by IDH must operate. It provides an overview of the values, commitments, responsibilities and integrity that IDH stands for. IDH expects its business partners to apply similar standards of conduct when providing services for IDH.
- 5.2 The Parties will not offer to third parties or seek or accept from third parties, for themselves or for any other party, any gift, remuneration, compensation or benefit of any kind whatsoever, which would be deemed corrupt or illegal.
- 5.3 The Parties will refrain from providing any form of support to activities that have the goal of undermining the political independence of a state, or unlawfully overthrowing a lawful government. The 'lawfulness' (or unlawfulness)

referred to in this clause is not solely defined by the opinions or views of the government in question, but is also defined by international standards and/or international law.

- 5.4 IDH partners and persons associated with IDH projects who become aware or suspect the existence of fraud, corruption or bribery shall bring it to the attention of IDH.

6. CONFLICT OF INTEREST

- 6.1 The Contracting Party and/ or any subcontracted third party will inform IDH in writing without delay in the event there are any (potential) conflicts of interest relating to the activities under the Entire Agreement. Such party shall immediately take all necessary steps to resolve the (potential) conflict of interest. IDH reserves the right to verify whether the measures taken are appropriate and may require additional measures to be taken if necessary.
- 6.2 For the avoidance of doubt, a (potential) conflict of interest shall include all activities that would lead to and partial and/ or non- objective performance of the Entire Agreement.

7. DATA AND PRIVACY

- 7.1 The privacy statement for business partners and consultants can be found [here](#) or via the 'Our Policies' tab on the 'About' webpage: <https://www.idhsustainabletrade.com/policies>.

8. PROCESSING OF PERSONAL DATA

- 8.1 With regards to the processing of personal data under the Agreement, within the meaning of Article 4 (2) of the General Data Protection Regulation ("GDPR"), both Parties are deemed to be controller within the meaning of Article 4 (7) GDPR.
- 8.2 Parties shall:
- process personal data in accordance with applicable laws and regulations regarding the processing of personal data, including but not limited to the GDPR;
 - provide each other reasonable cooperation and assistance, for example with respect to the handling of requests of data subjects and the performance of data protection impact assessments, to ensure that each Party complies with applicable laws and regulations.
- 8.3 The Contracting Party shall:
- only process personal data of data subjects in order to comply with its obligations under

the Agreement and not for any other purposes;

- b. limit the provision of personal data to IDH to what is strictly necessary to fulfill its obligations under the Agreement;
- c. inform the data subject with respect to the processing of personal data by both Parties in accordance with the GDPR. Upon request IDH shall provide relevant information for the provision of such information;

8.4 Upon detection of a personal data breach as defined under article 4 of the GDPR ("Data Breach") with respect to the Personal Data, the Contracting Party shall promptly notify IDH of said Data Breach, and shall ensure that the Data Breach is handled and data subjects and/or supervisory authorities are notified in accordance with the GDPR.

8.5 The Contracting Party shall fully indemnify and hold IDH harmless from and against any and all damages, loss, costs, fines from regulatory or supervisory authorities, charges, expenses, legal fees and disbursements and any other liabilities suffered as a result of or in connection with the processing of personal data and any breach of this Agreement by [Consultant/ the Contracting Party] or its employees or other representatives.

9. ICSR

9.1 The Contracting Party aims to cooperate in the Program in a manner that is compatible with the *ICSR Policy* of IDH, which can be found [here](#), or via the 'Our Policies' tab on the 'About' webpage: <https://www.idhsustainabletrade.com/policies>.

10. COMPETITION COMPLIANCE

10.1 The Contracting Party specifically acknowledges that IDH works in compliance with competition laws and principles as set out in IDH's *Competition Compliance Policy*, (which can be found [here](#), or via the 'Our policies' tab on the 'About' webpage: <https://www.idhsustainabletrade.com/policies>) IDH and the Contracting Party, individually and collectively, shall not engage in any behavior that restricts competition. IDH and the Contracting Party are free to enter into any agreements with third parties.

11. SAFEGUARDING

11.1 The Parties are aware of the IDH Safeguarding Policy (which can be found [here](#), or via the 'Our

Policies' tab on the 'About' webpage: <https://www.idhsustainabletrade.com/policies>).

11.2 The Parties have a zero-tolerance approach towards any form of sexual exploitation, abuse and harassment. The Contracting Party will comply with IDH's Safeguarding Policy and shall take all reasonable steps to prevent the sexual exploitation, abuse and harassment of any person linked to the execution of the Entire Agreement by both its employees and any third party subcontracted in relation to the execution of activities under the Entire Agreement.

11.3 The Contracting Party shall immediately report to IDH any breach of the Safeguarding Policy and credible suspicions of, or actual incidents of sexual exploitation, abuse or harassment related to the Entire Agreement. The Contracting Party will assess credibility based on the source of the allegation, the content, and the level of detail or evidence provided. The Contracting Party can use the reporting mechanisms described in articles 12.1 and 12.2 below.

11.4 The Contracting Party shall also report any credible suspicions of, or actual incidents that are not directly related to the Entire Agreement but could be of significant impact to IDH's reputation or partnerships with its donors. The Contracting Party can use the reporting mechanisms described in articles 12.1 and 12.2 below.

11.5 The Parties will fully co-operate with investigations into such incidents.

11.6 If the Contracting Party fails to comply with the IDH Safeguarding Policy or commits a breach of any of the terms included in article 11 IDH has the right to immediately terminate the Entire Agreement without the risk of incurring liability for damages or compensation.

12. SPEAKUP

12.1 IDH is committed to conducting its work with honesty, dignity, fairness and with respect for each other and the law. The Contracting Party is encouraged to report to IDH any (suspected) violation by the Contracting Party's staff, IDH's staff or third parties of IDH's values and principles included in IDH's Code of Conduct, other IDH policies or laws or regulations that has occurred or may occur in relation to the Entire Agreement. The Contracting Party can report this directly to its contact person at IDH, to IDH's

Executive Board or by using IDH's SpeakUp line.

12.2 IDH's SpeakUp line can be accessed online or by phone. Click [here](#) for a list of free phone numbers in each country or to report online. For more information, please refer to the SpeakUp policy (which can be found [here](#), or via the 'Our Policies' tab on the 'About' webpage: <https://www.idhsustainabletrade.com/policies>).

12.3 The Contracting Party shall promote the IDH SpeakUp line with its employees and any third party related to the execution of activities under the Entire Agreement, as well as the individuals and communities directly affected by the activities under the Entire Agreement. The Contracting Party shall use the communications materials provided by IDH (which can be found [here](#), or via the 'Our Policies' tab on the 'About' webpage: <https://www.idhsustainabletrade.com/policies>).

II. PERFORMANCE OF THE SERVICES

13. RESPONSIBILITIES OF THE CONTRACTING PARTY

13.1 The Contracting Party is responsible for execution, coordination and results of the Services, as well as reporting on the Services to IDH, as agreed between the Parties in the Letter of Assignment. The Contracting Party must do so with the necessary care and transparency, and in accordance with the terms and conditions of the Entire Agreement.

13.2 The Parties agree to define "satisfactory completion of the Services" under the Letter of Assignment as the Contracting Party providing IDH with the deliverables described in the proposal attached to the Letter of Assignment and approval of these deliverables by IDH in writing (e-mail included). If satisfactory completion of the Services is not (fully) achieved, IDH shall have the right to adjust future payment, terminate payment and/or demand repayment of any payment, proportionate to the budget of the uncompleted (part of) the assignment.

14. DELAYS, UNFORSEEN CIRCUMSTANCES, CHANGES TO THE SERVICES

14.1 The Parties are obliged to promptly inform each other and consult with each other regarding any (suspected) changes in circumstances or irregularities that may affect the performance of the Services, and/or affect compliance with the Entire Agreement. Such notifications should include the financial interests involved (if

applicable) as well as mitigating measures taken.

15. COMPLIANCE WITH LOCAL LAWS

14.1 In the performance of the Services, the Contracting Party must comply with all applicable laws and respect internationally recognized human rights, multilateral environmental agreements and internationally agreed core labor standards.

15.2 In the event of conflict between applicable laws and internationally recognized human rights, multilateral environmental agreements and/or internationally agreed core labor standards, the Contracting Party shall seek ways to respect the principles of internationally recognized human rights, multilateral environmental agreements and/or internationally agreed core labor standards to the greatest extent possible given the circumstances.

15.3 In case a breach of article 15.1 occurs or such actual or potential conflict, as referred to in article 15.2, arises under the Entire Agreement, the Contracting Party shall immediately inform IDH in writing of the breach or of the actual or potential conflict and must request IDH's approval prior to continuing the performance of Services.

16. THIRD PARTY COMPLIANCE

16.1 The Contracting Party will not assign the Entire Agreement or transfer any right or obligation thereunder to an Affiliate or any third party without the prior written consent of IDH.

16.2 The Contracting Party will ensure that any and all of the terms and conditions in the Entire Agreement shall be incorporated in equivalent contract terms in any sub-contract between the Contracting Party and a third party related to the execution of activities by the Contracting Party under the Entire Agreement. Any engagement of the Contracting Party with third parties in relation to the Letter of Assignment must be in writing and will not relieve the Contracting Party of its responsibility for the third parties' performance.

17. INSURANCES

17.1 The Contracting Party is responsible for their own insurances, social premiums, income tax and any other levies related to the Project regarding their performance of the activities related to their roles and responsibilities under the Entire Agreement.

18. GOOD ADMINISTRATION

18.1 In order to provide proof that the activities under the scope of the Services have indeed been executed as agreed to between IDH and the Contracting Party in the Letter of Assignment, as well as for the purpose of good governance in general, the Contracting Party is required to

have and maintain a proper and transparent (financial) administration and management.

19. RIGHT TO AN ADDITIONAL AUDIT

19.1 IDH, or any third party nominated by IDH, shall have the right to carry out audits of the Contracting Party's and/or subcontracted third parties' records to verify compliance with the provisions of the Entire Agreement, as may be relevant. IDH shall further be entitled to carry out audits of the Contracting Party's and/or subcontracted third parties' books and records insofar as they relate to the Services under the Entire Agreement and the manner in which the Services have been performed by the Contracting Party. In this respect, IDH, or any third party nominated by IDH, shall have access to all records, including systems and computers where information is stored electronically, and to all other material and records related to the performance of the Entire Agreement. Such information will be treated as confidential and will be used exclusively for auditing. Information once verified will not be used for any other purpose without the prior written consent of the party to whom it relates. Any extra costs related to an additional audit referred to in this clause shall be agreed to between the Parties in writing.

19.2 The Contracting Party shall maintain the material and records referred to in clause 17.1 until expiry of a period of two (2) years from the date of termination of the Entire Agreement or for the length of time required under the applicable law, whichever is longer.

III. FINANCIAL CONDITIONS

20. FUNDING BY IDH

20.1 IDH reserves the right to adjust any future installments due to the Contracting Party, or to (proportionally) reassign or reclaim any amount already transferred to the Contracting Party, in the event that the Contracting Party, without the prior written consent of IDH, does not fulfil, or not fulfil on time, its obligations under the Entire Agreement.

21. EXCHANGE RATES

21.2 For all payments made by IDH to the Contracting Party under the scope of the Letter of Assignment, the exchange rate of the day of receipt by the Contracting Party of the IDH's contribution(s) is applicable.

22. TRANSFER OF FUNDS & PAYMENT CONDITIONS

22.1 Payment requests sent to IDH by the Contracting Party must contain the total amount to be transferred and a reference to the IDH contract number (in Letter of Assignment) that the payment relates to. Payment will be made

by IDH within 45 days after receiving a payment request, provided such is in accordance with the terms and conditions in the Entire Agreement.

22.2 IDH is an organization that is dependent on funding from multiple donors and subject to various levels of (government) approvals for payments. IDH will use its best efforts to transfer the payment to the Contracting Party on time in accordance with the Entire Agreement. However, a late payment by IDH, notwithstanding IDH's best efforts, that is later than 45 days but no more than 60 days later than the date of the payment request, will not be considered a breach of the Entire Agreement. For payments received later than 60 days, the Contracting Party has the right to adapt the planning of the Services to ensure, to the extent possible, uninterrupted delivery of the deliverables agreed to in the Letter of Assignment. The Contracting Party must notify IDH of the adapted planning as soon as possible.

IV. CONFIDENTIALITY

23. CONFIDENTIALITY

23.1 It is understood and agreed to that certain information may be provided to the Contracting Party by IDH and/or any other parties, in the context of this assignment, that is and must be kept confidential. Both during the term of this Agreement and after the termination thereof, for whatever reason, the Contracting Party or its substitute shall refrain from disclosing, in any way whatsoever and to any other party, any information of a confidential nature regarding IDH's activities which has come to the Contracting Party's or its substitute's attention in the course of performing the Services under this Agreement and whose confidential nature is clear or should reasonably be clear. This obligation shall apply, by way of example and without limitation, to any technical, financial and other information, the names of partners, proposed transactions, computer software, computer systems and databases, patent and/or trade secret laws.

V. INTELLECTUAL PROPERTY

24. INTELLECTUAL PROPERTY

24.1 If IDH's donors, or the governments they may relate to, request use of reports, documentation, studies, publications, logo's or other material that is Arising Intellectual Property belonging (jointly) to IDH or free to use by IDH, IDH is free to share such information with the donor freely and without the consent of the Contracting Party.

24.2 Nothing contained in this Entire Agreement shall affect the absolute and unfettered rights of each

Party in all materials, inventions, discoveries and intellectual property owned or controlled by that Party independently of the subject matter of the Entire Agreement (the “**Background Intellectual Property**”).

24.3 Each Party (the “**Indemnifying Party**”) will indemnify and hold the other Party (the “**Indemnified Party**”) harmless from claims of third parties as a consequence of infringement of intellectual property rights of said third party, provided that the Indemnified Party informs the Indemnifying Party immediately in writing of the existence and content of the alleged right to claim. The aforementioned obligation to indemnify and hold harmless lapses if and insofar as the concerned infringement is related to modifications in the intellectual property rights made by the Indemnified Parties, or by third parties mandated by the Indemnified Party.

VI. TERM & TERMINATION

25. TERM

25.1 The Entire Agreement takes effect on the starting date agreed to between the Parties in the Letter of Assignment. The Entire Agreement ends on the end date agreed to between the Parties in the Letter of Assignment or if the Entire Agreement is terminated in accordance with the terms and conditions in the Entire Agreement. If the end date agreed to in the Letter of Assignment is exceeded yet the obligations of the Contracting Party have not been met, the Entire Agreement will remain in effect until all obligations have been met by the Contracting Party or the Entire Agreement is terminated, whichever is earlier.

26. AMENDMENT & TERMINATION

26.1 The terms and conditions of the Letter of Assignment can be amended only if the Parties agree to such amendment in writing.

26.2 IDH is an organization that is dependent on funding from multiple donors. In the event that IDH's donors terminate or materially change their funding of IDH, IDH and the Contracting Party individually and collectively have the right to terminate the Entire Agreement with immediate effect and without the risk of incurring liability for damages or compensation.

26.3 Either Party to the Agreement may terminate the Agreement immediately without the risk of incurring liability for damages or compensation, in the event that:

- a. the other Party fails to remedy any breach of its obligations under the Agreement within 30 days of written notification requiring it to do so;
- b. suspected fraud, or other illegitimate circumstances exist to such an extent that

IDH considers the Contracting Party to be at fault or grossly negligent and further continuation of the Services is not possible or of too much risk. Written notice of termination shall be provided in this case, stating the applicable circumstances;

- c. the other Party files a petition for bankruptcy or is declared bankrupt; or has a liquidator, receiver, trustee or administrator appointed to it; or becomes insolvent; or admits its inability to pay its debts as they fall due.

26.4 A late payment by IDH, notwithstanding IDH's best efforts, that is no more than 60 days later than the date of the payment request, will not be considered a breach of the Agreement.

VII. APPLICABLE LAW & DISPUTE RESOLUTION

27. APPLICABLE LAW

27.1 The Entire Agreement is governed by the laws of the Netherlands.

28. DISPUTE RESOLUTION

28.1 Any dispute arising from or in connection with this Agreement which cannot be resolved amicably shall be submitted exclusively to the district court in Utrecht, the Netherlands, and each Party to this Agreement hereby submits irrevocably to the jurisdiction of such court.