

TERMS of REFERENCE

Independent Review of Project Risks and Impact Potential of African Bamboo's proposed activities, Ethiopia

August 2020

Investments in Land restoration and Sustainable Land Management (SLM) practices are needed to avoid, reduce and reverse land degradation. However, project preparedness can be a major bottleneck for restoration and SLM investment. The Land Degradation Neutrality (LDN) Technical Assistance Facility (TAF) was established to help alleviate this bottleneck, and link projects to the LDN Fund¹ and LDN impacts. The LDN TAF can provide grants and reimbursable grants to (potential) LDN investment projects, to improve technical quality, and strengthen environmental and social impacts, so that the investment project meets the LDN Fund investment criteria. More information on the LDN TAF can be found on:

<https://www.idhsustainabletrade.com/landscapes/ldn-taf/>

The LDN TAF seeks to support African Bamboo (AB) on its way to investment readiness. In order to do this, IDH invites eligible consultants to submit a proposal for the assignment 'Independent Review of Project Risks and Impact Potential of African Bamboo's proposed activities'.

These Terms of Reference (ToR) elaborate on the assignment and the proposal requirements as well as the selection procedure. Consultants that consider submitting a proposal are requested to carefully read this ToR, as deviation can result in exclusion from further participation in the procedure.

1. Assignment background

The LDN Fund is currently evaluating an investment proposal submitted by African Bamboo (AB), focused on the development of innovative biomaterials and the execution of smart manufacturing across Africa via licensing of proprietary products and processes to Africa-based entrepreneurs. The focal raw material for AB's project is highland bamboo (*Yushania alpina*), which grows in highland regions across sub-Saharan Africa. AB is developing its first vertically integrated value chain in Ethiopia, with raw material supplied from three sources:

- a) *Forest site*: net 10,000 ha area located in Nansebo woreda, West Arsi zone, Oromia region.
- b) *Community site*: net 2,500 ha area scattered within an agricultural landscape in Sidama zone, SNNP Region, and maintained by individual farmers to provide both basic needs and an additional source of cash income.
- c) *Plantation site*: net 2,000 ha area located in several blocks in Munesa woreda, Arsi zone, Oromia region.

Commercial culms (>56mm dbh) will initially be supplied from the community site for the first two years of commercial operations while infrastructure and facilities are being constructed in the natural forest site. FSC certification is planned for all activities.

¹ The Land Degradation Neutrality Fund, copromoted by the UNCCD, is a first-of-its-kind fund investing in profit-generating sustainable land management and land restoration projects that contribute to SDG 15.3. The LDN Fund provides long-term debt and equity financing for sustainable land use projects that avoid, reduce or reverse land degradation. It is structured as a blended finance fund, pooling resources from both public and private investors committed to the goal of stopping land degradation. The LDN Fund is designed to offer financing solutions that are not readily available in the market, providing finance and strategic benefits in ways other investors or banks might not, e.g. longer tenors, longer grace periods, more flexible repayment schedules.

2. Description of the assignment

This study concerns the proposed harvesting of natural bamboo forest by contract workers and a preliminary assessment of the feasibility of AB establishing a bamboo community/smallholder scheme at scale and potential impacts of such an outgrower scheme. To gain a deeper understanding of the sustainability of the activities envisioned by AB, the LDN TAF supports the assessment/analysis of the situation by independent consultants. The assignment consists of the following aspects:

TA1: Assessment of current situation and anticipated impacts of proposed activities

TA1.1 Analysis of the forest area: a detailed analysis of the forest area, to gain better understanding of its current intactness, biodiversity, use by local communities, etc.

For many of these aspects AB has already obtained documentation. Partially the assignment will therefore be an independent assessment to verify the correctness, completeness and accuracy of natural forest documentation contained in AB's data room with regard to:

- **Site Tenure:** Review AB's MOU with OFWE and associated Addendums, the OFWE-AB Supply Purchase Agreement, and Participatory Forest Management Agreements between local communities and OFWE.

This should include findings from local consultant consultations with the AB team, OFWE, local communities and associated NGO partners, including Farm Africa and SOS Sahel.

- **Conservation Values:** Conduct a review of AB's internal assessments and published documentation on the natural forest site in relation to its conservation values including:
 - Evaluation of the characteristics of highland bamboo (i.e. native, clump forming / non-invasive species).
 - Ecosystem and habitat(s) (i.e. IUCN Red list of Ecosystems);
 - Intactness (i.e. intact forested landscape as defined by Global Forest Watch);
 - Landscape context and connectivity (i.e. Bale Mountains Forest Landscape);
 - Key Biodiversity Areas (i.e. assessment of IBAT KBAs actually present over the site as opposed to presence within a 50km buffer surrounding the site);
 - Biodiversity (i.e. IUCN CR, EN, VU, DD and endemic species likely present in the site as opposed to presence within a 50km buffer surrounding the site), especially focusing on the presence of bamboo specialists (e.g. Bale Monkey);
 - Critical Habitat (presence/absence in the site as defined in IFC PS6 and if present are contingency plans robust); and
 - Old growth forest (i.e. comparative analysis of the characteristics of bamboo forest compared to old growth tropical moist forest as defined by IFC).

The Consultant should review AB's documentation/published literature on the above topics, including conservation web resources (i.e. IUCN red list species/ecosystems, Global Forest Watch forest monitoring tool, Integrated Biodiversity Assessment Tool etc.). Any future data requirements should be highlighted.

Key conservation values of the site should be identified on-site, including the presence/absence of IUCN CR and EN species and the Bale Monkey through interviews with local communities, and conservation organizations present in the region e.g. Frankfurt Zoological Society.

- **Local Community Use:** Review AB's documentation regarding community use of the site, including forest management plan consultation report, PFM Agreements.

Findings should be validated based on local consultants' interviews with local communities, and associated NGO partners – Farm Africa and SOS Sahel.

- **High Conservation Values:** Review AB's preliminary HCV assessment for the site to confirm/challenge the findings. The review should identify any gaps in the report and make recommendations for additional study. The Consultant should confirm assumptions made for HCV1-6 against published literature. The analysis needs to cover all six HCVs, and assess whether proposed management recommendations will maintain and/or enhance HCVs based on AB's current operational plans.

Site-visits should confirm community use of the bamboo forest (i.e. food, shelter, materials, medicine, clothing, ecosystem services), and identify the presence/absence of sites of cultural, spiritual and archeological importance within the bamboo forest area through consultation with local communities, associated NGO partners, and subject matter experts.

TA1.2 Impact assessment of proposed activities in the natural forest:

The Consultant will review project documentation and published literature to assess the sustainability of AB's proposed natural forest operations and associated activities. The review should take into account AB's 10-year forest management plan, ESIA, ESMMP, consolidated Risk and Hazard Registry, IFC gap assessment, Community roadmap agreements, and other relevant documents presented in the data room. Specific attention should be given to whether the role and potential impact on women is considered sufficiently.

The assessment should verify that management and mitigation measures detailed in AB's consolidated Risk and Hazard Registry are sufficient to guarantee social, environmental and economic sustainability of the operation as described. The Consultant will also identify any gaps against both the IFC performance standards (by annotation of AB's internal IFC gap assessment for the site) and assess the feasibility of closing gaps within a maximum 3-year period.

This part of the assessment should be strengthened by on-the-ground verification where necessary.

TA1.3 Preliminary assessment of proposed activities outside of the natural forest:

The initial analysis of the Sidama outgrower scheme should assess whether:

- the terms of the proposed outgrower scheme are (economically) interesting for communities/smallholders i.e. are communities interested in growing and selling bamboo?
- there is sufficient demand from communities/smallholders to participate in the project and whether scaling plans are realistic.
- any significant obstacles to scale up the outgrower scheme can be foreseen. e.g. land tenure
- the risk of increased pressure on remaining natural bamboo forest is sufficiently addressed in AB's risk and hazard registry.
- proposed operations are likely to impact food security of farmers.
- Opportunistic planting of 999,000 bamboo seedlings spread over four woreda/districts could endanger local/regional water availability.
- the governance of the outgrower scheme is structured in an inclusive way. How are communities/farmers involved and how can they influence the scheme?
- the proposed approach will significantly contribute to LDN.

Regarding the proposed plans for establishing a net 2,000 ha plantation across numerous spatially distributed blocks in Munesa district:

- assess the potential impact of plantation establishment (in areas of grassland allocated to the project by associated communities and the local land agency) on food security and water scarcity in the district.

This part of the assessment should be strengthened site visits and consultations with local communities, associated NGO partners, and subject matter experts.

TA2: Assessment of feasibility and impacts of FSC certification

TA2.1 Preliminary FSC assessment: independent assessment of whether FSC certification will be possible for the natural bamboo forest site based on current operational plans, and confirmation/redefining of the total area suitable for harvesting, from a FSC point of view. The Consultant will review AB’s operational documents to identify any key risks and/or barriers to achievement of FSC certification in the natural forest site. The output of the assessment should be a concise report explaining key findings and recommendations.

This part of the assessment should be strengthened by on-the-ground verification where necessary.

The project developer intends to achieve FSC certification, including the required HCV assessment, within three years following investment. Therefore, the consultant’s findings are to be presented in such format as to inform and support this process.

3. Key Deliverables

The Consultant will develop four concise reports as detailed in the following table.

Deliverable
1. Report: Analysis of Forest Area & Impact of Operations
2. Report: Review of AB’s Preliminary HCV Assessment
3. Report: Out-grower Assessment findings and recommendations <i>(including consultation minutes, attendance forms, findings & recommendations)</i>
4. Report: Potential Risks and Barriers to Achievement of FSC <i>[max 5 pages main text]</i>
5. Recommendations: Recommendations and suggestions from the consultant with respect to strengthening and maximizing positive social and environmental impacts of the project, including LDN and gender impact.

All final documents need to be provided in English. The reports can be presented in word or PPT format, with figures / data based on clear evidence.

4. Method

The study should involve review of all existing work, and analysis of satellite and other available data.

Furthermore, a site visit and consultation with local and international stakeholders and experts is considered essential. If a site visit by the main expert(s) is not possible, support by a local consultant/expert for on-the-ground verification and consultation will be necessary (see options outlined in section 4). All meetings and travels need to comply with national COVID-19 measures.

Some of these activities have already been carried out by the project developer, but independent, external verification is required. Therefore, although the study will be carried out with the support of the project developer, the consultant will report to the LDN TAF team and the reports will be shared with the LDNF team.

The Consultant will confer with IDH and the project developer throughout the contract period and seek confirmation in writing for any proposed deviations from this terms of reference as deemed necessary to achieve the contract objectives.

5. Required expertise and timeline

For this assignment we are looking for an organisation/consultant with expertise in forestry/bamboo. Familiarity with FSC certification and HCV assessment needs to be demonstrated in the proposal.

We are open to the possibility to split the assignment and contract two consultants: one focusing on TA1 and one focusing on TA2.

There are currently 7-14 day quarantine requirements for people entering Ethiopia (depending on COVID test status) and all land borders are closed. Considering these travel restrictions, we are looking for one of the following options:

- **Consultant(s) based in Ethiopia** (*strongly preferred option*)
- **Consortium:** international expert with partner consultant/organisation based in Ethiopia
- **International Expert:** In this situation the LDN TAF will try to match the international expert with a local consultant/organisation based in Ethiopia for the in-country work.

The study should be completed within around 1,5 to 2 months, and start as soon as possible. Proposals with a short timeline will be preferred.

6. Proposal

Interested service providers should submit a proposal detailing:

1. Which parts of the assignment the proposal relates to: TA1 or TA2 or TA1+TA2
2. Is the proposal for a (a) consultant based in Ethiopia, (b) a consortium (international+local) or (c) an international expert (without local partner).
3. Brief presentation of the consultant /expert and its relevant experience, as well as of consortium partners and/or subcontractors (where applicable). Including a clear description of the project team, relevant experience (including resumes) of team members and time allocation per team member, including their roles and responsibilities.
4. A description of the approach/methodology towards the different parts of the study. Where relevant, specifically stating which aspects of the assignment will be done remotely, and which activities will be done on-the-ground to support the remote assessment.
5. A workplan, including timelines for activities.
6. A financial proposal for the activities that will be carried out to achieve the deliverables, including a detailed cost breakdown (e.g. daily staff rates, hours per deliverable/activity, etc.).
All amounts must be stated in Euro, and include VAT and other taxes where applicable.
Please note that AB will cover all local costs including food, accommodation, and in-country transport.
7. Confirmation that none of the ground for exclusion as stated in paragraph 9 are applicable to the Consultant.

7. Selection procedures

IDH invites Consultants to submit their proposal based on this ToR. The deadline for submitting a proposal is **9 September 2020**. Proposals submitted after 9th of September will not be considered in the tender procedure.

The LDN TAF project team may invite the Consultant to present and discuss their bid during a call.

The LDN TAF team, in consultation with African Bamboo and the LDN Fund, decides on selection of the Consultant. Contracting will follow the awarding of the contract.

The proposal will be awarded to the Consultant with the most economically advantageous tender. The most economically advantageous tender is determined on the basis of the evaluation criteria of price, quality and efficiency.

Scoring criteria	Weight
Methodology and approach	20%
Qualification of the Service Provider and the Team*	50%
Financial proposal	30%

* due to the required on-the-ground verification, local presence in Ethiopia will be rated high for this assignment

8. General terms and conditions

IDH reserves the right to update, change, extend, postpone, withdraw or suspend the ToR, 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.

9. Grounds for exclusion

Service Providers 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.
- f) 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).

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

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

10. Confidentiality

The documents provided by or on behalf of IDH will be handled with confidentiality. The Consultant will also impose a duty of confidentiality on any parties that it engages. Any breach of the duty of confidentiality by the Consultant or its engaged third parties will give IDH grounds for exclusion of the Consultant, 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 Consultant.

11. Contact information

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About IDH Sustainable Trade Initiative

IDH, The Sustainable Trade Initiative, convenes companies, governments, financiers and others in public-private partnerships. Together we drive the design, co-funding and prototyping of new economically viable business models to delink tropical commodity production from deforestation and create shared value for all stakeholders. IDH has a network of over 400 companies, CSOs, financial institutions, producer organizations and governments. IDH works in 12 agricultural sectors and 12 landscapes in over 40 countries to achieve scalable impact on the Sustainable Development Goals. IDH's approaches are designed to drive sustainability from niche to norm in mainstream markets. IDH focuses on creating positive impact on deforestation, living incomes and living wages, working conditions, toxic loading and gender.